

**TOSCANA ISLES**  
**COMMUNITY DEVELOPMENT**  
**DISTRICT**

**REGULAR MEETING**  
**AGENDA**

**OCTOBER 17, 2018**

**Toscana Isles Community Development District**  
**OFFICE OF THE DISTRICT MANAGER**  
**2300 Glades Road, Suite 410W•Boca Raton, Florida 33431**  
**Phone: (561) 571-0100•Toll-free: (877) 276-0889•Fax: (561) 571-0013**

October 10, 2018

Board of Supervisors  
Toscana Isles Community Development District

Dear Board Members:

A Regular Meeting and a Regular Meeting of the Board of Supervisors of the Toscana Isles Community Development District will be held on Wednesday, October 17, 2018, at 10:00 a.m., at the offices of Vanguard Land, LLC, located at 6561 Palmer Park Circle, Suite B, Sarasota, Florida 34238. The agenda is as follows:

1. Call to Order/Roll Call
2. Public Comments
3. Approval of Requisition(s)
4. Ratification of Contract/Change Order(s)/Purchase Order(s)
5. Consideration of Supplemental Engineer's Report
6. Consideration of First Addendum to Master Special Assessment Methodology Report
7. Consideration of Second Supplemental Special Assessment Methodology Report
8. Consideration of Resolution 2019-01, Declaring Special Assessments; Indicating the Location, Nature and Estimated Cost of the Improvements Which Cost is to be Defrayed in Whole or in Part by the Special Assessments; Providing the Portion of the Estimated Cost of the Improvements to be Defrayed in Whole or in Part by the Special Assessments; Providing the Manner in Which Such Special Assessments Shall be Made; Providing When Such Special Assessments Shall be Made; Designating Lands Upon Which the Special Assessments Shall be Levied; Providing for an Assessment Plat; Authorizing the Preparation of a Preliminary Assessment Roll; and Providing for an Effective Date

**ATTENDEES:**

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

9. Consideration of Resolution 2019-02, Setting a Public Hearing to be Held on \_\_\_ Day, December, 2018, at 10:00 A.M., at 6561 Palmer Park Circle, Suite B, Sarasota, Florida 34238, for the Purpose of Hearing Public Comment on Imposing a Special Assessment on Certain Property Within the District Generally Described as Toscana Isles Community Development District in Accordance with Chapters 170, 190 and 197, Florida Statutes
10. Consideration of Resolution 2019-03, Supplementing its Resolution 2014-12 by Authorizing the issuance of its Toscana Isles Community Development District Special Assessment Revenue Bonds, Series 2018 in a Principal Amount of Not Exceeding \$20 Million for the Principal Purpose of Acquiring and Constructing Assessable Improvements; Delegating to the Chairman or Vice Chairman of the Board of Supervisors of the District, Subject to Compliance with the Applicable Provisions Hereof, the Authority to Award the Sale of Such 2018 Bonds to FMSbonds, Inc. by Executing and Delivering to Such Underwriter a Bond Purchase Agreement and Approving the Form Thereof; Approving the Form of and Authorizing the Execution of the Second Supplement Trust Indenture; Appointing U.S. Bank National Association as the Trustee, Bond Registrar and Paying Agent for Such 2018 Bonds; Making Certain Findings; Approving Form of Said 2018 Bonds; Approving the Form of the Preliminary Limited Offering Memorandum and Authorizing the Use by the Underwriter of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and the Execution of the Limited Offering Memorandum; Approving the Form of the Continuing Disclosure Agreement and Authorizing the Execution Thereof; Authorizing Certain Officials of Toscana Isles Community Development District and Others to Take All Actions Required in Connection With the Issuance, Sale and Delivery of Said 2018 Bonds; Providing Certain Other Details with Respect to Said 2018 Bonds; and Providing an Effective Date
11. Consideration of Agreement with FMSbonds, Inc., for Underwriter Services
12. Acceptance of Unaudited Financial Statements as of August 31, 2018
13. Approval of Minutes
  - A. July 18, 2018 Public Hearing and Regular Meeting
  - B. August 1, 2018 Regular Meeting
  - C. August 15, 2018 Regular Meeting
14. Staff Reports
  - A. District Counsel: *Straley Robin Vericker*
  - B. District Engineer: *AM Engineering, Inc.*

- C. District Manager: *Wrathell, Hunt and Associates, LLC*
  - i. NEXT MEETING DATE: October 24, 2018 at 10:00 A.M.
- 15. Board Members' Comments/Requests
- 16. Public Comments
- 17. Adjournment

Should you have any questions, please do not hesitate to contact our office at (561) 571-0010.

Sincerely,



Cindy Cerbone  
District Manager

**FOR BOARD MEMBERS AND STAFF TO ATTEND BY TELEPHONE:**  
**Call-in number: 1-888-354-0094**  
**Conference ID: 8518503**

**TOSCANA ISLES  
COMMUNITY DEVELOPMENT DISTRICT**

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# TOSCANA ISLES COMMUNITY DEVELOPMENT DISTRICT

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## SUPPLEMENTAL ENGINEER'S REPORT

OCTOBER 15, 2018

Prepared by:



LB4334

## **I. INTRODUCTION**

### DESCRIPTION OF TOSCANA ISLES:

Toscana Isles is a subdivision located in portions of Sections 22 and 27, Township 38 South, Range 19 East, City of Venice, Sarasota County, Florida. The subdivision entails the development of a former RV park into an approximately 1,107 unit mixed use residential development within Sarasota County, Florida. A site location map is provided in Exhibit A. Based upon the developer's revised development plan, the community will include approximately 847 single family homes, 260 multi-family homes and several corresponding amenities, such as a clubhouse and guardhouse. The recreational area, which is not District funded, consists of a private clubhouse building, private amenities and all related landscape/hardscape features, utilities, roadways and other improvements located within the recreational area (the "Amenity Tract"). The proposed development will be constructed in several phases, with Phase 1 already completed.

### PURPOSE AND SCOPE:

The purpose of this Engineer's Report is to assist with the financing, construction and acquisition of public infrastructure improvements to be undertaken by the Toscana Isles Community Development District (the "District"). All major infrastructure components, and the related cost estimates for the completion of this work are as described in the following sections.

### TOSCANA ISLES COMMUNITY DEVELOPMENT DISTRICT

The petition to establish the Toscana Isles Community Development District (the "District") was approved on December 10, 2013 by the City of Venice Council pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, for the purpose of planning, financing, constructing, operating and maintaining public infrastructure for the lands comprising the residential development within the jurisdiction of the District. The District has

the power to issue bonds for the purpose of acquiring and constructing certain public infrastructure improvements and to levy assessments, rates and charges to pay for the construction, acquisition, operation and maintenance of the improvements.

The land area in the District currently consists of approximately 417.7 acres and is located within the City of Venice, Florida. All the land area in the District is bound between: Laurel Road to the south, Knight's Trail Road to the west, Gene Green Road to the north and residential and industrial development to the east.

The Toscana Isles Community Development District is governed by a Board of Supervisors consisting of five (5) members. The Board of Supervisors are as follows. Their terms, powers and duties are as described in Chapter 190, Florida Statutes:

- (a) John R. Peshkin
- (b) Daniel L. Peshkin
- (c) Samantha P. Hays
- (d) Brian F. Watson
- (e) Alexander H. Hays

Management of the District is currently performed on a contractual basis by Wrathell, Hunt & Associates (the "District Manager"). Straley Robin Vericker currently serves as District General Counsel (the "District General Counsel"), and AM Engineering, Inc. is currently the District Engineer (the "District Engineer"). The District Manager oversees the operation and maintenance of the District, as supervised by the Board of Supervisors.

REPORT ASSUMPTIONS:

In preparation of this report, the District Engineer relied heavily on information provided by the developer with respect to details regarding the development of the District and acquisition of the infrastructure improvements. As the project surveyors and engineers of record, AM

Engineering, Inc. has a comprehensive knowledge of the design and construction of the already completed and proposed infrastructure improvements. Certain assumptions were also made with respect to all cost estimates, pricing and financing based on previous experience within the local industry and recent construction costs. The estimated costs presented herein could vary based on final engineering and ultimate construction bids.

## **II. DEVELOPMENT BOUNDARY**

### PROPERTY BOUNDARY:

The development is located north of Laurel Road, East of Knight's Trail Road, and south of Gene Green Road. The expanded project falls within Sections 22 and 27, Township 38, Range 19 E, within the City of Venice, Florida.

### DESCRIPTION OF PROPERTY SERVED:

Toscana Isles is wholly located within the City of Venice. The development will be a fully contiguous community. The proposed development envisions a mixture of multi-family coach homes, multi-family terrace homes and single-family homes.

### IMPROVEMENTS TO EXISTING INFRASTRUCTURE:

All improvements described in this report shall benefit the District. The entire community will receive potable water from a water main connected to an existing 12" water main on Knights Trail Road and an existing 16" water main on Laurel Road. There will be several sanitary sewer systems serving the proposed development. The first phase consists of one system serving the community through the lift station near the center of the property, with an associated force main connected to an existing manhole near the main entrance of Toscana Isles. A second system serves the clubhouse and a portion of Maraviya Boulevard connected to the existing lift station on Knight's Trail Road, located near the southwest corner of the District. A third system serves

the southernmost lots through the lift station along Laurel Road and a force main connected to an existing force main along Laurel Road. Phase two is anticipated to be served by two proposed lift stations with associated force mains connecting to existing facilities along Knights Trail Road. Phase three is anticipated to be served by a proposed lift station with associated force main connecting to existing facilities near the main entrance of Toscana Isles.

Off-site improvements include existing and proposed connections to utilities and roadway improvements at the Toscana Isles northern and southern entrances.

### **III. PROPOSED PROJECT**

#### PROPOSED DISTRICT INFRASTRUCTURE:

The District has funded and is expected to continue to fund the construction and acquisition of certain public infrastructure improvements (the “Project”). The capital improvements described in this report represent the present intentions of the Developer, as initial landowners, and the Toscana Isles Community Development District, subject to all applicable local general purpose government land use planning, zoning, and all other entitlements. The implementation of the improvements discussed in this report requires final approval and acceptance by all applicable regulatory and permitting agencies on a local, state, and federal level. The actual improvements constructed at the completion of this proposed development may vary from the capital improvements described in this report. All cost estimates included in the following sections have been prepared based on the District Engineer’s experience within this industry and recent local construction costs. Furthermore, the final cost of all engineering design, permitting and approvals, construction, and all other costs associated with the completion of this project may vary from the cost estimates presented in this report. Once constructed, the responsibility for the maintenance and upkeep of these improvements is as documented in Table 2 of this report. The following sections will describe the elements that will comprise the Toscana Isles Community Development District Capital Improvement Project.

#### CLEARING AND EARTHWORK FOR STORM WATER:

The development's subject site was formerly an RV park with several existing lakes. Therefore, the earthwork within this development primarily consists of clearing existing vegetation, filling portions of existing lakes, followed by excavating new lake areas, all of which are required to create part of the storm water management system. The excess fill, if any, will be used as required to provide the minimum design elevations to the project required for flood protection. The earthwork within the project will be accomplished by lowering the existing grade of upland areas and using the fill to form the lake banks. All of the roadways within this project have been designed, at their lowest points, to be above the 100-year 24-hour flood event (10"). The center of road elevations vary from a minimum of 13.0 to a maximum of 15.0. The 100-year flood elevation is 12.0 (NGVD 1929 Datum). Areas surrounding roadways will be constructed to .25' (3") above center of road elevations to drain into the storm water management system. Additional fill above this elevation is excluded from the Project, since it is not required as part of the storm water management system. Unit 1 Clearing and earthwork includes work to be performed around the Western portion of Lake 2 as a part of SWFWMD's requirement to enhance plantings in that area of the lake. A portion of the costs spent in Unit 1 provided benefit to Units 2 and 3, since clearing and earthwork was performed for creating the storm water management system. When Units 2 and 3 are constructed, additional roads will be installed as a part of the development of those areas, which will benefit only those areas.

#### STORM WATER MANAGEMENT SYSTEM:

The storm water management system for the proposed development will include existing and enlarged lakes, swales, inlets, interconnecting pipes, control structures and an erosion control barrier around some of the perimeter of the lakes to maintain the lake bank and slopes. The Southwest Florida Water Management District (SWFWMD) has permitted the entire development's Surface Water Management system pursuant to Environmental Resource Permit (ERP) #43012290, as modified from time to time.

The storm water management facilities will consist of seven (7) lakes totaling approximately 210 acres, three of which are interconnected by bridges, with the remainder connected by a pipe system. All storm water runoff from the subject property will be routed to these storm water management lakes for the purposes of water quality treatment and attenuation. Other than existing storm water runoff from Units 2 and 3, no additional work will need to be performed on the storm water management system in order for the undeveloped land area within Unit 2 and Unit 3 to drain to the lakes. Therefore, a portion of the costs spent in Unit 1 benefits Units 2 and 3, and when Units 2 and 3 are constructed, additional swales, inlets, pipes and erosion control barriers will be installed as a part of the development of those areas, which will benefit only those areas. The treated storm water will be subsequently conveyed through the system and towards the control structure which uses a rectangular weir to restrict discharge through the existing control structure on Knight's Trail Road located at the northwest boundary of the property.

The proposed storm water management system was designed to adhere to SWFWMD's minimum criteria for water quality treatment and flood protection. The conveyance system and corresponding storm water management lakes were designed to attenuate SWFWMD's 25-Year 24-Hour storm event (8") and the 100-year 24-hour storm event (10").

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

#### ROADWAYS, SIDEWALKS AND PATHS:

The roadways within the proposed development will consist of two-lane roadways, accessible by the general public through the guardhouse. Assuming that Units 2 and 3 are constructed, the roadways will interconnect the entire community and will connect to Knight's Trail Road.

Approximately 6.5 +/- miles of internal roadways will be constructed within a platted Ingress-Egress Easement. The Toscana Isles Community Development District will be responsible for funding the roadways, which will include stabilized subgrade, base, asphalt, valley gutters or curb & gutter, drainage inlets, pipes and other components. Bridges have been installed to span the water connecting the three largest lakes. Since a portion of the roadway system constructed within Unit 1 will be used to access Units 2 and 3, a portion of the costs spent in Unit 1 would therefore benefit Units 2 and 3.

All roadways are designed (or in the case of future roadways, will be designed) and are constructed (or in the case of future roadways, will be constructed) in accordance with all local, state, and federal codes. These roadways will also include all necessary landscaping, lighting and irrigation as described in the following sections.

The development will be a pedestrian friendly community that will include extensive sidewalks along all roadways. The sidewalks will be concrete, concrete pavers or a mixture of concrete and concrete pavers through the entire community. These proposed sidewalks are ADA friendly, designed with curb ramps and detectable warnings at every street crossing where there is sidewalk on both sides. The CDD will construct, fund and maintain all common area sidewalks throughout the development as the Units are constructed. Construction of sidewalks in front of individual lots will be the responsibility of the homebuilder.

#### UTILITIES:

The District-funded utilities within the development will consist of water mains, sanitary sewer systems, and force mains. Existing utilities and infrastructure serving the RV park were removed to accommodate the approved earthwork plan, which substantially lowered the RV park site grades. New utilities were installed in Unit 1, and will be installed in Units 2 and 3 that meet minimum specifications of ground cover below design grade. The water main, sanitary sewer and force main systems in place have been designed (and future systems will be designed) by

AM Engineering, Inc. in accordance with the City of Venice standards and Sarasota County Standards (sewer).

At the time of preparation of this report, the sanitary sewer facilities are divided into several separate systems. Each will be owned and maintained by either Sarasota County or the City of Venice. The sanitary sewer and force main systems for Unit 1 were designed to accommodate a portion of the lots to be serviced in Unit 2, and will therefore benefit Unit 2. The sanitary sewer and force main systems for Units 2 and 3 will be independent of the Unit 1 systems and will therefore only benefit Units 2 and 3.

The proposed water distribution facilities will include all necessary valves, fire hydrants, and water services to individual lots and development parcels. The water distribution facility has been designed as a loop system, consisting of the use of 8" and 12" water main lines as a part of the system. The main water distribution lines which service homes contained within Unit 1 would service Units within Units 2 and 3 given that the system would be a larger loop system. The City of Venice will require Units 2 and 3 to be connected into the existing Unit 1 water main facilities, which will have been turned over to the City, in order for those Units to have a loop system. Therefore, a portion of the costs spent in Unit 1 would benefit Units 2 and 3.

Although an irrigation system was contemplated to be installed by the District, the system was installed by the Developer and the costs are not included as a part of the District.

GATES & ENTRY FEATURES:

The entrance feature consists of an entry monument and signage, landscape features, lighting, fountain and a guardhouse with a publicly accessible entry. This guardhouse is located at the main entrance to the development off Knight's Trail Road. These features are located within the platted Ingress-Egress Easement. Since this main entrance feature would serve Units 2 and 3, a portion of these costs spent in Unit 1 would benefit Units 2 and 3.

### WALLS, BUFFERS & LANDSCAPING

The landscaping for this development was designed by Krent Wieland Design, Inc. of Delray Beach, Florida and the landscape architect is Botanics Design Group, LLC. Landscaping for the public portions of the development consists of sod, shrubs, trees, palms and flowers. The District will install all required perimeter landscape buffers. Portions of this buffering will include various fences and/or walls. Since the walls, buffers and landscaping installed as a part of the work completed during Unit 1 would serve Units 2 and 3, a portion of these costs spent in Unit 1 would benefit Units 2 and 3.

### OFF-SITE INFRASTRUCTURE

The off-site improvements include, but are not limited to, turn lanes into the community from Knight's Trail Road and numerous utility connections. These improvements are generally described within their respective categories.

## **IV. OPINION OF PROBABLE CONSTRUCTION COSTS**

### SUMMARY OF COSTS:

The table below represents the opinion of probable costs for the District public infrastructure project. This opinion of probable costs includes the estimated infrastructure costs for the aforementioned infrastructure improvements within this report including, but not limited to professional and design services, materials, labor, construction and contingencies. All estimates within this report are based on the monetary value of the dollar in 2018.

In order to arrive at the estimates presented in this Section of the report, the developer supplied a majority of the information concerning the segregation of items that will be funded by the District from the items that will be funded by the Developer. The following costs do not include, or account for the legal, administrative, financing, operation or maintenance services necessary to finance, construct, or operate the District-funded infrastructure. The District-Funded Project Infrastructure costs do not include any costs for land acquisition, private clubhouse building, private amenities and all related landscape/hardscape features, or central irrigation system, as the District will not be funding such costs.

District Funded Item	Construction Cost
Project Infrastructure	<b>\$26,369,829</b>

DISTRIBUTION OF COSTS:

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

Table 1 provides an outline of the various facilities and services the District may provide. Financing for these facilities is projected to be provided by the District.

**TABLE 1**  
**TOSCANA ISLES COMMUNITY DEVELOPMENT DISTRICT**  
**ESTIMATED COSTS OF CONSTRUCTION**

Category	Unit 1	Unit 2	Unit 3	Total
Clearing and Earthwork for Storm water	\$4,792,600	\$1,444,027	\$278,322	\$6,514,949
Storm Water Management System	\$2,701,291	\$447,688	\$249,000	\$3,397,979
Roadways, Sidewalks & Paths	\$1,996,511	\$1,135,821	\$837,672	\$3,970,004
Utilities	\$2,970,546	\$2,140,978	\$1,480,385	\$6,591,909
Gates & Entry Features	\$475,850	\$250,000	\$0	\$725,850
Walls, Buffers & Landscaping	\$1,722,615	\$956,178	\$135,827	\$2,814,620

Contingencies		\$1,853,934	\$500,584	\$2,354,518
<b>Total Estimated Project Costs</b>	<b>\$14,659,413</b>	<b>\$8,228,626</b>	<b>\$3,481,790</b>	<b>\$26,369,829</b>

Table 1 illustrates the estimates of the capital required to install facilities outlined in Table 2. Total costs for those facilities which may be provided are estimated to be approximately \$26,369,829. The District may levy a non-ad valorem special assessment and may issue special assessment bonds in one or more Series of issuances to fund the costs of these facilities. These bonds would be repaid through non-ad valorem special assessments levied on all properties in the District that may benefit from the District’s infrastructure program as outlined in Table 2.

Prospective future landowners in the development may be required to pay non-ad valorem special assessments levied by the District to provide for facilities and secure any debt incurred through bond issuance(s). In addition to the levy of non-ad valorem special assessments which may be used for debt service, the District may also levy a non-ad valorem assessment to fund the operations and maintenance of the District and its facilities and services. However, it is completely voluntary for new residents to move to the District, so, ultimately, all owners and users of the affected property choose to accept the non-ad valorem assessments as a tradeoff for the services and facilities that the District will provide. In addition, state law requires all assessments levied by the District be disclosed by the initial seller to all prospective purchasers of property within the District.

**TABLE 2**  
**TOSCANA ISLES**  
**PROPOSED FACILITIES AND SERVICES**

<b>FACILITY</b>	<b>FUNDED</b>	<b>MAINTAINED</b>	<b>OWNERSHIP</b>
Storm Water Management System	CDD/Private	CDD/HOA	CDD/HOA
Roadways, Sidewalks & Paths	CDD/Private	Sarasota County / CDD/HOA	Sarasota County / CDD/HOA
Utilities	CDD/Private	Sarasota County, City of Venice, CDD/HOA	Sarasota County, City of Venice, CDD/HOA
Gates & Entry Features	CDD/Private	CDD/HOA	CDD/HOA
Walls, Buffers & Landscaping	CDD/Private	CDD/HOA	CDD/HOA

Ownership of all District funded improvements will be by the CDD or applicable General Purpose Government, and maintenance thereof will be the responsibility of such owning entity.

PROJECT PHASING:

The overall Project will be built in a series of phases. The phasing of the project allows the applicable Clearing and Earthwork, Storm Water Management, Roadways, Utilities, Security Gates, Entry Features and Recreational Areas, Landscaping and Sidewalks and Paths to be installed as needed throughout the build-out of the District. Unit 3 is not currently owned by the Developer. Following is the estimated number of lots, by lot type, to be contained in each Unit.

<b>LOT TYPE</b>	<b>UNIT 1</b>	<b>UNIT 2</b>	<b>UNIT 3</b>	<b>TOTALS</b>
40' Lots	-	176	-	176
50' Lots	183	187	-	370
60' Lots	148	99	-	247
74' Lots	26	21	-	47
80' Lots	7	-	-	7
MF Coach Homes	56	-	-	56
MF Terrace Homes	-	-	204	204
<b>Totals</b>	<b>420</b>	<b>483</b>	<b>204</b>	<b>1,107</b>

The total expected cost of improvements anticipated to be funded by the District is broken down by Category in Table 1. Unit 1 work primarily focused on installing the utilities to service the project, the storm water system connecting the three large interconnecting lakes, the associated buffer and common area landscaping, a significant portion of the overall walls, buffers and entry features at the primary entrance, and the roads which service all parcels of the development. Since a portion of the work completed during Unit 1 would serve Units 2 and 3, a portion of the costs spent in Unit 1 would benefit Units 2 and 3.

Although similar types of costs would be incurred during the development of Units 2 and 3, those costs do not need to be expended in order for Unit 1 to be self-sufficient, and therefore would not have to be allocated to Unit 1. The estimation of costs is based on the defined scope

above and current market and site conditions. Actual costs may vary significantly based on changes in scope, cost of materials and labor and difficulties from unknown site conditions.

**PERMITS:**

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

As the engineer of record, AM Engineering, Inc. certifies that all permits known to be necessary to complete the construction of the infrastructure for the proposed development have been or will be obtained. The full list of major permits and modifications received thus far can be seen below:

<b>PERMITTING AGENCY</b>	<b>TYPE OF PERMIT</b>	<b>PERMIT #</b>	<b>PERMIT ISSUE DATE</b>
SWFWMD	ERP	43012290.008	10/25/2011
ACOE	ACOE	SAJ-2011-01313	06/27/2014
City of Venice	Final Plat	Plat Book 48 Page 6	11/13/2012
SWFWMD	ERP	43012290.010	09/10/2013
SWFWMD	ERP	43012290.011	06/05/2014
SWFWMD	ERP	43012290.012	04/17/2015
SWFWMD	ERP	43012290.013	08/17/2015
SWFWMD	ERP	43012290.014	10/19/2015
SWFWMD	ERP	43012290.015	01/05/2016
SWFWMD	ERP	43012290.016	10/19/2016
City of Venice	Final Plat	Plat Book 49 Page 32	07/24/2015
City of Venice	Final Plat	Plat Book 50 Page 48	03/03/2017
City of Venice	Final Plat	Plat Book 51 Page 99	12/15/2017
City of Venice	Final Plat	Plat Book 51 Page 103	12/15/2017

**CONCLUSION:**

This report summarizes the infrastructure improvements necessary to develop the proposed community as required by the applicable governing agencies and good engineering practices. AM Engineering, Inc. certifies that the design of the infrastructure for this development is in full compliance with all current requirements presented by the various applicable governing agencies involved, as of the date of permit issuance. The infrastructure presented in this report will serve its intended function to the Toscana Isles Community Development District assuming substantial compliance with the design and permits issued for this project from all contractors involved. It is AM Engineering, Inc.'s professional opinion that the costs associated with the Toscana Isles Community Development District's proposed infrastructure improvements are reasonable.

It should be noted that this opinion of probable infrastructure cost is only an opinion determined by AM Engineering, Inc. in combination with the Developer, and is not a guaranteed maximum price. These costs were derived from various sources such as estimates from the Developer, historical unit pricing, and AM Engineering Inc.'s own past experiences within the infrastructure industry.

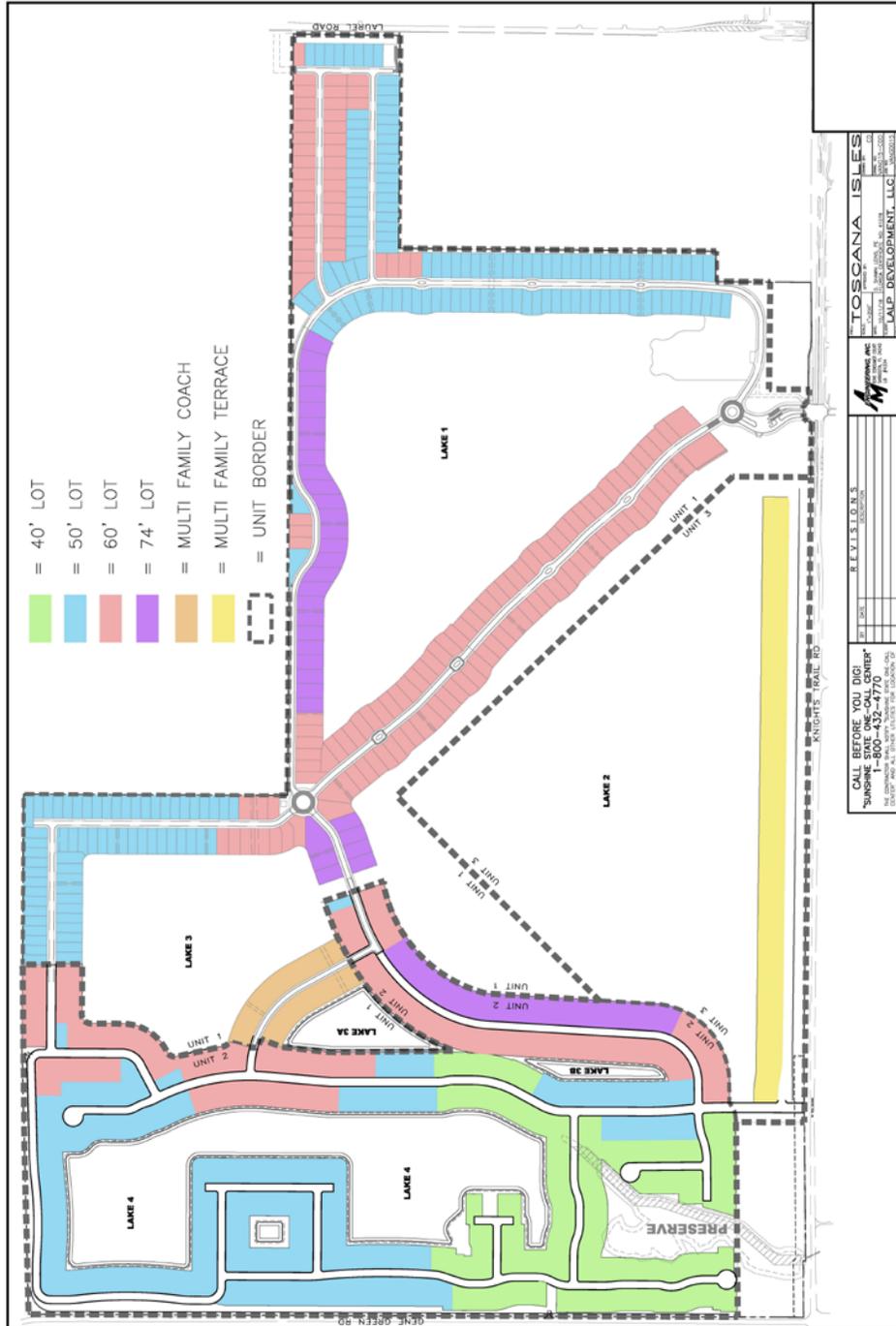
Therefore, AM Engineering, Inc. is of the opinion that the construction of the infrastructure described in this report for the proposed development can be completed within the costs stated in Section IV of this report. However, several unforeseen factors, which are outside of the control of the District, Developer or AM Engineering, Inc. may alter the final cost. These factors include future costs of labor, equipment, and materials, increased future regulatory actions/measures, and unforeseen changes throughout the actual construction process. Due to these potential circumstances, the actual total final costs may vary substantially from this opinion of probable infrastructure cost.



“Exhibit B”

# TOSCANA ISLES COMMUNITY DEVELOPMENT DISTRICT

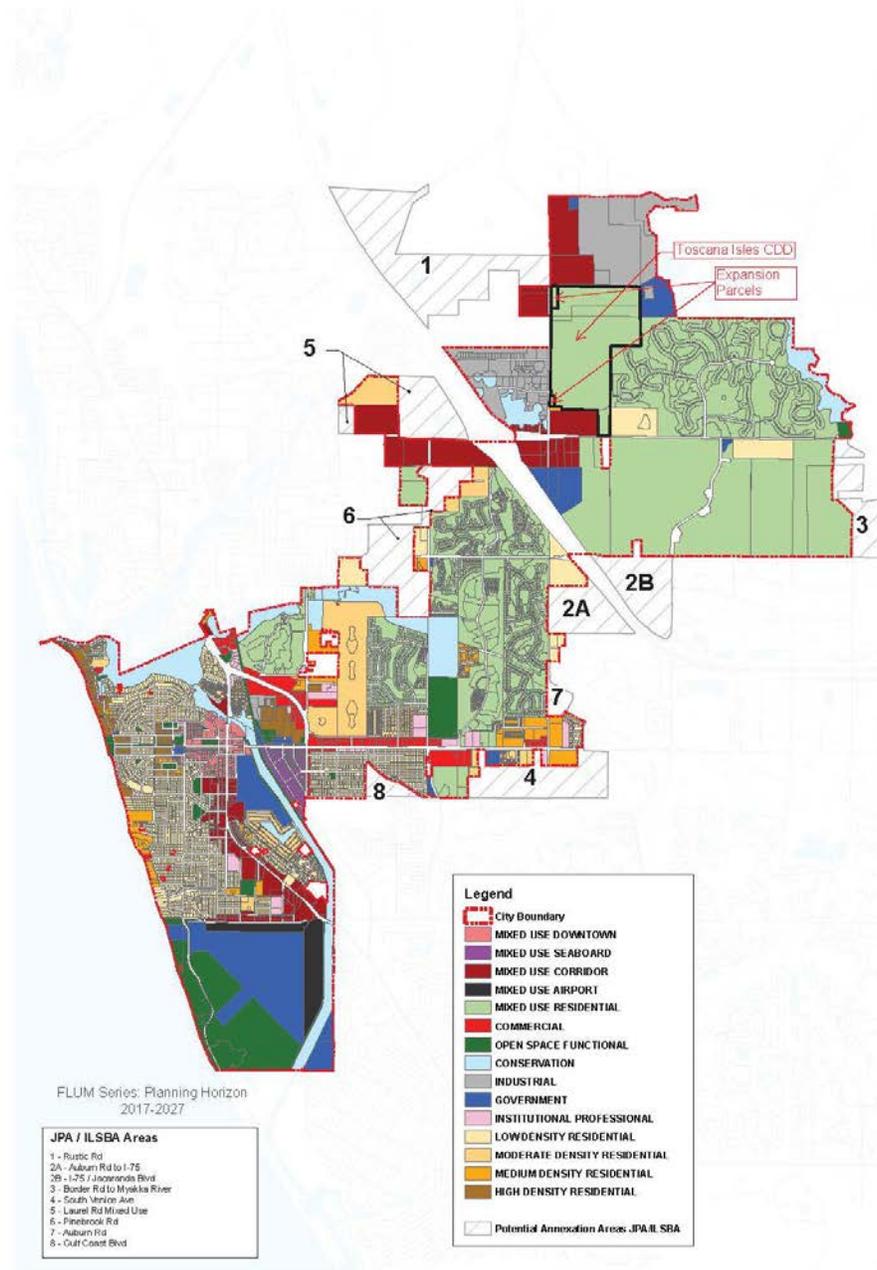
## PROJECTED LAND USE AND PRODUCT TYPES



“Exhibit C”

# TOSCANA ISLES COMMUNITY DEVELOPMENT DISTRICT

## LAND USE MAP



**TOSCANA ISLES  
COMMUNITY DEVELOPMENT DISTRICT**

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# TOSCANA ISLES COMMUNITY DEVELOPMENT DISTRICT

First Addendum to Master  
Special Assessment  
Methodology Report

October 15, 2018



Provided by:

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

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## **1.0 Introduction**

### **1.1 Purpose**

The Toscana Isles Community Development District (“District”) previously adopted the Preliminary Master Special Assessment Methodology Report dated April 2, 2014 (the “Master Report”) and Final Supplemental Special Assessment Methodology Report dated October 1, 2014 (the “Supplemental Report”). The Master Report set forth the original master financing Program and original master assessment methodology to fund infrastructure improvements to support the development of lands within the District, while the Supplemental Report set out the specific financing program and specific assessment methodology for the first phase of infrastructure improvements serving the first 413 residential units, which were financed, in part, with proceeds of Special Assessment Revenue Bonds, Series 2014 (the “Series 2014 Bonds”) which were issued in the principal amount of \$10,360,000 and which financed improvement costs of approximately \$9,200,000.

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

### **1.2 Scope of the First Addendum**

This First Addendum presents the projections for financing the Capital Improvement Program as described in the **Engineer’s Report** dated October **X**, 2018 (the “**Supplemental Engineer’s Report**”) prepared by AM Engineering, Inc. (the “District Engineer”), and describes the method for the allocation of special benefits and the apportionment of special assessments resulting from the provision and funding of the Capital Improvement Program.

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

Improvements undertaken and funded by the District as part of the Capital Improvement Program create special benefits and peculiar benefits, different in kind and degree than general benefits, for properties within the District, as well as general benefits to the areas outside the District and to the public at large. However, as discussed within this First Addendum, these general benefits are

incidental in nature and are readily distinguishable from the special benefits which accrue to peculiar property within the District as the Capital Improvement Program enables properties within the boundaries of the District to be developed.

There is no doubt that the general public and property owners outside the District will benefit from the provision of the Capital Improvement Program. However, these benefits are only incidental since the Capital Improvement Program is designed to provide special benefits peculiar to property within the District, including but not limited to allowing the development of property therein. Properties within the District are directly served by the Capital Improvement Program and depend upon the Capital Improvement Program to satisfy the requirements of their development entitlements. This fact alone clearly demonstrates the special benefits which the properties located within the District receive.

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

#### **1.4 Requirements of a Valid Assessment Methodology**

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

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

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

#### **1.5 Special Benefits Exceed the Costs Allocated**

The special benefits provided to the property owners within the District are greater than the costs associated with providing these benefits. As set forth in the **Supplemental Engineer's Report**, the District Engineer estimates that the District's Capital Improvement Program that is necessary to support full development of property

within the District will cost approximately \$26,369,829. As the District has already funded the costs of a portion of the first phase of the Capital Improvement Program in part with proceeds of the Series 2014 Bonds, and in part with a contribution of improvements by the Developer (herein defined), the District projects that financing costs required to fund the balance of the infrastructure improvements of the Capital Improvement Program, the cost of issuance of future bonds, the funding of debt service reserves and capitalized interest, will total approximately \$20,030,000. Additional funding not financed with the future bonds and necessary to complete the Capital Improvement Program may be funded by the Developer or its affiliates or assigns pursuant to a Completion Agreement entered into between the District and the Developer. Without the Capital Improvement Program, the property would not be able to be fully developed and occupied by future residents of the community.

## **1.6 Organization of the First Addendum**

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

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

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

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

## **2.0 Development Program**

### **2.1 Overview**

The District will serve the Toscana Isles development (the "Development" or "Toscana Isles"), a master planned, residential development consisting of approximately 417.7 +/- acres located in the City of Venice, Sarasota County, Florida. The land within the District is generally located East of the Knights Trail Road, West of the Venetian Golf and River Club, North of Laurel Road, and South of Gene Green Road.

## **2.2 The Revised Development Plan**

The development of Toscana Isles has already commenced with a total of 420 residential units of Unit 1 (the improvements for 413 of which were originally funded in part with proceeds of the Series 2014 Bonds) and is anticipated to be conducted for Units 2 and 3 either in whole by LALP Development, LLC (the "Developer"), or in part by the Developer, for Unit 2, and in part by other developers associated with and/or the owners of the land within Unit 3. If developed wholly by the Developer, the revised development plan envisions a total of approximately 1,107 residential units, which represents an increase of 81 residential units from the development plan in effect at the time of adoption by the District of the Master Report, and 80 residential units from the development plan in effect at the time of adoption by the District of the Supplemental Report. In addition, since the time of issuance by the District of its Series 2014 Bonds, new product types were added to the development plan for Unit 1 as it was implemented to better reflect market conditions, with 74' SF and 80' SF residential units added to the initial 50' SF, 60' SF and MF Coach residential units. In addition to the 420 residential units in Unit 1, the revised development plan envisions a total of 483 residential units in Unit 2 and 204 residential units in Unit 3, although unit numbers and land use types may change throughout the development period. Table 1 in the *Appendix* illustrates the revised development plan for Units 1, 2 and 3.

## **3.0 Capital Improvement Program**

### **3.1 Overview**

The infrastructure costs to be funded by the District are described by the District Engineer in the Engineer's Report. Only infrastructure that has qualified (in the case of the Unit 1 infrastructure that has been funded in part by the District with proceeds of Series 2014 Bonds) and that may qualify for future bond financing by the District under Chapter 190, Florida Statutes, was included in these estimates. The infrastructure for the Unit 1 has already been substantially completed and the balance of the infrastructure construction is projected to occur in two more phases coinciding with the development of Units 2 and 3. The improvements identified by the District Engineer as Unit 1 Improvements serve not only the residential units within Unit 1, but also support the future development of Units 2 and 3. Furthermore, the future installation of Unit 2 Improvements and Unit 3

Improvements, even though necessary to support the development of Units 2 and 3, will in addition add to, integrate with and benefit the existing residential units within Unit 1.

Consequently, even though the Capital Improvement Program is designed to allow for the separate development of Units 1, 2 and 3 in such a way that not all of the improvements needed for the development of Unit 1 are necessary for the development of Units 2 and/or 3, and vice-versa, the improvements needed for the development of Units 2 and/or 3 are not necessary for the development of Unit 1, the three parts in effect comprise three sub-systems of a system of improvements for the entire development and the entire District.

### **3.2 The Revised Capital Improvement Program**

The Capital Improvement Program needed to serve the existing as well as planned development of Toscana Isles is projected to consist of clearing and earthwork for storm water, storm water management system, roadways, sidewalks and paths, water and sewer utilities, gates and entry features, walls and landscaping. As explained in Section 3.1, the Capital Infrastructure Program is designed and is projected to be constructed in three phases, one each for Units 1, 2 and 3. Table 2 in the *Appendix* illustrates the projected total costs of the three phases that comprise the Capital Improvement Program for the three units of development.

At the time of this writing, the total costs of the Capital Improvement Program are estimated at \$26,369,829, an increase over the estimates of \$22,986,995 contained in the Engineer's Report prepared by District Engineer and dated February 17, 2014.

## **4.0 Financing Program**

### **4.1 Overview**

As noted above, the District is continuing a program of capital improvements which will facilitate the development of lands within the District. Notwithstanding the fact that the District has already financed a portion of the costs of Unit 1 Improvements in part with proceeds of the Series 2014 Bonds, if the District were to finance the portion of the revised Capital Improvement Program that was not financed with proceeds of the Series 2014 Bonds and was not contributed to the District by the Developer, it would likely have to issue up to approximately \$19,745,000 in bonds, comprising

approximately \$16,145,000 in bonds financing improvements benefitting the seven (7) residential units in Unit 1 that were not financed in part with proceeds of the Series 2014 Bonds and were not contributed to the District by the Developer, as well as the 483 residential units in Unit 2 (the “Unit 1 and Unit 2 Bonds”), and approximately \$3,600,000 in bonds financing improvements benefitting the 204 residential units in Unit 3 (the “Unit 3 Bonds” and together with the Unit 1 and Unit 2 Bonds the “Bonds”) even though the actual financing plan may change to include multiple series of long-term and/or short-term bonds.

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

**Additionally, please note that the District funded a portion of the Unit 1 Improvement Costs in the amount of approximately \$9,200,000 with proceeds of the Series 2014 Bonds, while approximately \$1,149,538.29 in further Unit 1 Improvement Costs were contributed by the Developer to the District at no cost in order to lower effective assessments for debt service on the Series 2014 Bonds for the first 164 platted units in Unit 1. Unit 1 Improvement Costs in excess of the sum of the \$9,200,000 financed with proceeds of the Series 2014 Bonds and the funds contributed by the Developer were and continue to be eligible to be financed by the District with proceeds of any future indebtedness.**

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

Notwithstanding the fact that the District has already financed a portion of the costs of the Unit 1 Improvements with proceeds of the Series 2014 Bonds, the proposed financing plan for the District provides for the issuance of the Bonds in the amount of \$19,745,000 to defray construction/ acquisition expenses of \$15,042,558. The Bonds as projected under this master financing plan would be structured to be amortized in 30 annual installments following a 24-month capitalized interest period. Interest payments on the Bonds would be made every May 1 and November 1, and principal payments on the Bonds would be made every November 1.

In order to finance the \$15,042,558 in improvement costs, the District would need to borrow more funds and incur indebtedness in the total amount of \$19,745,000. The difference is comprised of debt service reserve, capitalized interest, underwriter's discount and costs of issuance. Preliminary sources and uses of funding and other financing assumptions are presented in Table 3 in the *Appendix*.

**Please note that the structure of the Bonds as presented in this First Addendum is preliminary and may change due to changes in the development program, market conditions, timing of infrastructure installation as well as other reasons. The District maintains complete flexibility as to the structure of any indebtedness that it may issue to fund or partially finance the parts of the Unit 1 Improvement Costs that were not financed with proceeds of the Series 2014 Bonds or contributed by the Developer as well as the Unit 2 and Unit 3 Improvement Costs and reserves the right to modify it as necessary.**

## **5.0 Assessment Methodology**

### **5.1 Overview**

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

### **5.1 Benefit Allocation**

According to the District Engineer, the Capital Improvement Program will serve and provide benefit to all residential units in the

District and even though the Capital Improvement Program is designed to allow for the separate development of Units 1, 2 and 3 in such a way that not all of the improvements needed for the development of Unit 1 are necessary for the development of Units 2 and/or 3, and vice-versa, the improvements needed for the development of Units 2 and/or 3 are not necessary for the development of Unit 1, the three parts in effect comprise three sub-systems of a system of improvements for the entire development and the entire District. Consequently, the improvements that are part of the Capital Improvement Program will comprise an interrelated system of improvements, which means all of the improvements, once constructed, will serve all residential units within the District.

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

The development of land in Unit 1 of the District additionally includes a clubhouse with related recreational facilities (the "Clubhouse Facilities"), which will be constructed by the Developer and will ultimately be owned and operated by the property owners' association. Even though it is beyond question that the Clubhouse Facilities will benefit from the provision of the District's Capital Improvement Program, it is proposed that they not be assessed for any capital costs associated with the provision of the Capital Improvement Program. The rationale for this exemption is that the cost of any capital assessments levied on them would ultimately be borne by the capital assessment-paying residential property owners within the District. Consequently, Clubhouse Facilities are proposed not to be assessed.

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

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

Using the ERU benefit allocations developed in Table 4 in the *Appendix* and applying them to the total cost estimate of the Capital Improvement Program of \$26,369,829, Table 5 in the *Appendix* illustrates the allocation of benefit of the Capital Improvement Program to the various residential unit types. The allocation is divided into four (4) parts: the first part for the 413 residential units of Unit 1 whose improvements were financed in part with proceeds of the Series 2014 Bonds and in part with Developer's contribution of improvements to the District, initially projected to total approximately \$1,149,538.29 and currently calculated at approximately \$2,127,271; the second part for the seven (7) residential units that are part of Unit 1 and whose improvements are currently projected to be financed with proceeds of the Unit 1 and Unit 2 Bonds; the third part for the 483 residential units in Unit 2 whose improvements are currently projected to be financed with proceeds of the Unit 1 and Unit 2 Bonds; and finally fourth part for the 204 residential units in Unit 3 whose improvements are

currently projected to be financed with proceeds of the Unit 3 Bonds.

As illustrated in Table 5 in the *Appendix*, the District will finance only a total of approximately \$15,042,558 in Capital Improvement Program costs (\$12,429,046 for the Units 1 and 2 and \$2,613,513 for Unit 3) with proceeds of the Bonds, as a total of approximately \$11,327,271 in Capital Improvement Program costs has already been financed in part with proceeds of the Series 2014 Bonds and in part with Developer's capital contributions.

Finally, Table 6 in the *Appendix* illustrates the apportionment of the assessment associated with the Bonds in accordance with the ERU benefit allocation method presented in Table 4 for (1) the seven (7) residential units that are part of Unit 1 and whose improvements are currently projected to be financed with proceeds of the Unit 1 and Unit 2 Bonds; (2) the 483 residential units in Unit 2 whose improvements are currently projected to be financed with proceeds of the Unit 1 and Unit 2 Bonds; and (3) the 204 residential units in Unit 3 whose improvements are currently projected to be financed with proceeds of the Unit 3 Bonds.

**Please note that at the time of writing of this First Addendum, the land located within Unit 3 is not owned by the Developer and that the District may not conduct proceedings to impose and levy special assessments for repayment of the Unit 3 Bonds on such land until after the Bonds are issued.**

### **5.3 Assigning Assessment**

The assessment associated with repayment of the Unit 1 and Unit 2 Bonds (the "Unit 1 and 2 Assessment") will initially be levied on the parcels of land within Unit 2 and those portions of Unit 1 where the seven (7) units whose improvements are currently projected to be financed with proceeds of the Unit 1 and Unit 2 Bonds are located. As of the time of writing of this First Addendum, such land has not yet been platted and consequently, the Unit 1 and 2 Assessment in the amount of \$16,145,000 will initially be levied on approximately 135.91 +/- gross acres on an equal pro-rata gross acre basis and thus the Unit 1 and 2 Assessment in the amount of \$16,145,000 will be preliminarily levied on approximately 135.91 +/- gross acres at a maximum of \$118,791.85 per acre.

As the unplatted land is platted, the Unit 1 and 2 Assessment will be allocated to each platted parcel on a first platted-first assigned basis based on the planned use for that platted parcel as reflected

in Table 6 in the *Appendix*. Such allocation of Unit 1 and 2 Assessment to platted parcels will reduce the amount of Unit 1 and 2 Assessment levied on unplatted gross acres.

**The assessment associated with repayment of the Unit 3 Bonds (the “Unit 3 Assessment”) will initially also be levied on the parcels of land within Unit 2 and those portions of Unit 1 where the seven (7) units whose improvements are currently projected to be financed with proceeds of the Unit 1 and Unit 2 Bonds are located. Such levy is necessitated by the fact that the District may not conduct proceedings to impose and levy Unit 3 Assessment on the land located within Unit 3 until after Unit 3 Bonds are issued. Consequently, (1) upon issuance of the Unit 3 Bonds, the amount of \$2,613,513 will be placed in a retainage subaccount of the Unit 3 Bonds acquisition and construction account; and (2) Unit 3 Assessments will initially be levied on the same land subject to Unit 1 and 2 Assessment. In the event that the District imposes and levies Unit 3 Assessment on land located within Unit 3 by no later than **September 30, 2019**, (1) the amount of \$2,613,513 will be transferred from the retainage subaccount of the Unit 3 Bonds acquisition and construction account into the Unit 3 Bonds acquisition and construction account and made available to fund acquisition and construction costs; and (2) Unit 3 Assessments will be levied on the land located within Unit 3. Conversely, in the event that the District fails to impose and levy Unit 3 Assessment on land located within Unit 3 by no later than **September 30, 2019**, (1) the amount of \$2,613,513 will be transferred from the retainage subaccount of the Unit 3 Bonds acquisition and construction account into the Unit 3 Bonds bond redemption fund and applied to the extraordinary mandatory redemption of the Unit 3 Bonds on November 1, 2019.**

Further, to the extent that any residential land which has not been platted is sold to another developer or builder, the Unit 1 and 2 Assessment or Unit 3 Assessment (cumulatively the “Assessment”) will be assigned to such parcel at the time of the sale based upon the development rights associated with such parcel that are transferred from seller to buyer. The District shall provide an estoppel or similar document to the buyer evidencing the amount of Assessment transferred at sale.

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

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

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

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

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

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

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

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

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

## **5.6 True-Up Mechanism**

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

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

If as a result of platting and apportionment of the Assessment, Assessment for land that remains unplatted is equal to less than the levels in shown in Table 6 in the *Appendix* (either as a result of an overall larger number of residential units, same number of larger residential units substituting for smaller residential units, or both), then the per unit Assessment for all residential units will be lowered if that state persists at the conclusion of platting of all land within Units 1, 2 and 3.

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

The owner(s) of the property will be required to immediately remit to the Trustee for redemption a true-up payment equal to the value of the Assessment that represents the units that have been lost as a result of changes in the development plan plus accrued interest to the next succeeding interest payment date on the Unit 1 and Unit 2

Bonds or the Unit 3 Bonds, unless such interest payment date occurs within 45 days of such true-up payment, in which case the accrued interest shall be paid to the following interest payment date.

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

## 5.7 Assessment Roll

Below please find the Preliminary Assessment Roll illustrating the initial apportionment of the Assessment to parcels of land that are subject to the Assessment for the proposed Unit 1 and Unit 2 Bonds and Unit 3 Bonds. Excluding any capitalized interest period, debt service assessment shall be paid in thirty (30) annual installments.

### Preliminary Assessment Roll

Parcel ID	Owner	Acres	Unit 1 and 2 Assessment	Unit 3 Assessment*
0375010100	LALP Lots VII LLC	18.41	\$2,186,958	\$487,646
0375010105	LALP Lots VII LLC	0.89	\$105,725	\$23,574
0375010115	LALP Lots X LLC	11.86	\$1,408,871	\$314,149
0366130005	LALP Lots XI LLC	6.14	\$729,382	\$162,637
0375010116	LALP Development LLC	0.5	\$59,396	\$13,244
0375010111	LALP Development LLC	2.01	\$238,772	\$53,241
0366130006	LALP Option 1 LLC	10.85	\$1,288,892	\$287,396
0375010110	LALP Development LLC	0.98	\$116,416	\$25,958
0366130004	LALP Lots XI LLC	8.41	\$999,039	\$222,765
0366130001	LALP Option 1 LLC	72.68	\$8,633,791	\$1,925,156
0375120005	LALP Development LLC	2.3	\$273,221	\$60,923
0375050009	LALP Development LLC	0.38	\$45,141	\$10,065
0375010108	LALP Development LLC	0.25	\$29,698	\$6,622
0375010109	LALP Development LLC	0.25	\$29,698	\$6,622
<b>Total</b>		<b>135.91</b>	<b>\$16,145,000</b>	<b>\$3,600,000</b>

\* Unit 3 Assessment apportionment shown is preliminary and is expected to transfer to the land located within Unit 3

## 6.0 Additional Stipulations

### 6.1 Overview

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

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

## 7.0 Appendix

Table 1

### Toscana Isles

Community Development District

Revised Development Plan

Product Type	Series 2014			Unit 2 Number of Residential Units	Unit 3 Number of Residential Units	Total Number of Residential Units
	Bond-Funded Unit 1 Number of Residential Units	Remaining Unit 1 Number of Residential Units	Unit 1 Total Number of Residential Units			
40' SF	0	0	0	176	0	176
50' SF	178	5	183	187	0	370
60' SF	146	2	148	99	0	247
74' SF	26	0	26	21	0	47
80' SF	7	0	7	0	0	7
MF Coach	56	0	56	0	0	56
MF Terrace	0	0	0	0	204	204
<b>Total</b>	<b>413</b>	<b>7</b>	<b>420</b>	<b>483</b>	<b>204</b>	<b>1,107</b>

Table 2

**Toscana Isles**  
**Community Development District**  
**Revised Capital Improvement Program**

<b>Category</b>	<b>Unit 1 Improvement Costs</b>	<b>Unit 2 Improvement Costs</b>	<b>Unit 3 Improvement Costs</b>	<b>Total Costs</b>
Clearing and Earthwork for Storm Water	\$4,792,600	\$1,444,027	\$278,322	\$6,514,949
Storm Water Management System	\$2,701,291	\$447,688	\$249,000	\$3,397,979
Roadways, Sidewalks & Paths	\$1,996,511	\$1,135,821	\$837,672	\$3,970,004
Water and Sewer Utilities	\$2,970,546	\$2,140,978	\$1,480,385	\$6,591,909
Gates & Entry Features	\$475,850	\$250,000	\$0	\$725,850
Walls, Buffers & Landscaping	\$1,722,615	\$956,178	\$135,827	\$2,814,620
Contingencies	\$0	\$1,853,934	\$500,584	\$2,354,518
<b>Total</b>	<b>\$14,659,413</b>	<b>\$8,228,626</b>	<b>\$3,481,790</b>	<b>\$26,369,829</b>

Table 3

**Toscana Isles**  
**Community Development District**

**Sources and Uses of Funds**

<b>Sources</b>	<b>Unit 1 and Unit 2 Bonds</b>	<b>Unit 3 Bonds</b>	<b>Total</b>
Bond Proceeds:			
Par Amount	\$16,145,000	\$3,600,000	\$19,745,000
<b>Total Sources</b>	<b>\$16,145,000</b>	<b>\$3,600,000</b>	<b>\$19,745,000</b>

**Uses**

Project Fund Deposits:			
Project Fund	\$12,429,046	\$2,613,513	\$15,042,558
Other Fund Deposits:			
Debt Service Reserve Fund	\$1,172,917	\$261,536	\$1,434,453
Capitalized Interest Fund	\$1,937,400	\$432,000	\$2,369,400
	\$3,110,317	\$693,536	\$3,803,853
Delivery Date Expenses:			
Costs of Issuance	\$200,000	\$200,000	\$400,000
Underwriter's Discount	\$403,625	\$90,000	\$493,625
	\$603,625	\$290,000	\$893,625
Rounding	\$2,013	\$2,951	\$4,964
<b>Total Uses</b>	<b>\$16,145,000</b>	<b>\$3,600,000</b>	<b>\$19,745,000</b>

Table 4

## Toscana Isles

Community Development District

### Benefit Allocation

Product Type	Total Number of Residential		
	Units	ERU per Unit	Total ERU
40' SF	176	0.80	140.80
50' SF	370	1.00	370.00
60' SF	247	1.20	296.40
74' SF	47	1.48	69.56
80' SF	7	1.60	11.20
MF Coach	56	0.70	39.20
MF Terrace	204	0.50	102.00
<b>Total</b>	<b>1,107</b>		<b>1,029.16</b>

Table 5

## Toscana Isles

Community Development District

### Revised Capital Improvement Program Cost Allocation - Unit 1, Series 2014 Bonds-Funded Units

Product Type	Number of Units	ERU per Unit	Total ERU	Total Cost Allocation	Total Developer Contribution to Date	Total Cost Financed with Series 2014 Bonds
50' SF	178	1.00	178.00	\$4,560,836	\$856,529	\$3,704,307
60' SF	146	1.20	175.20	\$4,489,092	\$843,055	\$3,646,037
74' SF	26	1.48	38.48	\$985,960	\$185,164	\$800,796
80' SF	7	1.60	11.20	\$286,974	\$53,894	\$233,080
MF Coach	56	0.70	39.20	\$1,004,409	\$188,629	\$815,780
<b>Total</b>	<b>413</b>		<b>442.08</b>	<b>\$11,327,271</b>	<b>\$2,127,271</b>	<b>\$9,200,000</b>

### Revised Capital Improvement Program Cost Allocation - Unit 1, Unit 1 and Unit 2 Bonds-Funded Units

Product Type	Number of Units	ERU per Unit	Total ERU	Total Cost Allocation	Total Developer Contribution to Date	Total Cost Financed with Unit 1 and 2 Bonds
50' SF	5	1.00	5.00	\$128,113	\$0	\$128,113
60' SF	2	1.20	2.40	\$61,494	\$0	\$61,494
<b>Total</b>	<b>7</b>		<b>7.40</b>	<b>\$189,608</b>	<b>\$0</b>	<b>\$189,608</b>

### Revised Capital Improvement Program Cost Allocation - Unit 2, Unit 1 and Unit 2 Bonds-Funded Units

Product Type	Number of Units	ERU per Unit	Total ERU	Total Cost Allocation	Total Developer Contribution to Date	Total Cost Financed with Unit 1 and 2 Bonds
40' SF	176	0.80	140.80	\$3,607,672	\$0	\$3,607,672
50' SF	187	1.00	187.00	\$4,791,440	\$0	\$4,791,440
60' SF	99	1.20	118.80	\$3,043,973	\$0	\$3,043,973
74' SF	21	1.48	31.08	\$796,353	\$0	\$796,353
<b>Total</b>	<b>483</b>		<b>477.68</b>	<b>\$12,239,438</b>	<b>\$0</b>	<b>\$12,239,438</b>

### Revised Capital Improvement Program Cost Allocation - Unit 3, Unit 3 Bonds-Funded Units

Product Type	Number of Units	ERU per Unit	Total ERU	Total Cost Allocation	Total Developer Contribution to Date	Total Cost Financed with Unit 3 Bonds
MF Terrace	204	0.50	102.00	\$2,613,513	\$0	\$2,613,513
<b>Total</b>	<b>204</b>		<b>102.00</b>	<b>\$2,613,513</b>	<b>\$0</b>	<b>\$2,613,513</b>

Table 6

## Toscana Isles

Community Development District

### Unit 1 and 2 Assessment Apportionment - Unit 1

Product Type	Total Number of Residential		Total Unit 1 and 2	Unit 1 and 2	Annual Debt Service Unit 1 and 2
	Units	ERU per Unit	Assessment	Assessment per Unit	Assessment Payment per Unit*
50' SF	5	1.00	\$166,415.85	\$33,283.17	\$2,599.99
60' SF	2	1.20	\$79,879.61	\$39,939.80	\$3,119.98
<b>Total</b>	<b>7</b>		<b>\$246,295.46</b>		

\* Includes early payment discount and costs of collection

### Unit 1 and 2 Assessment Apportionment - Unit 2

Product Type	Total Number of Residential		Total Unit 1 and 2	Unit 1 and 2	Service Unit 1 and 2
	Units	ERU per Unit	Assessment	Assessment per Unit	Assessment Payment per Unit*
40' SF	176	0.80	\$4,686,270.31	\$26,626.54	\$2,079.99
50' SF	187	1.00	\$6,223,952.75	\$33,283.17	\$2,599.99
60' SF	99	1.20	\$3,954,040.57	\$39,939.80	\$3,119.98
74' SF	21	1.48	\$1,034,440.92	\$49,259.09	\$3,847.98
<b>Total</b>	<b>483</b>		<b>\$15,898,704.54</b>		

\* Includes early payment discount and costs of collection

### Unit 3 Assessment Apportionment - Unit 3\*\*

Product Type	Total Number of Residential		Total Unit 3	Unit 3	Annual Debt Service Unit 3
	Units	ERU per Unit	Assessment	Assessment per Unit	Assessment Payment per Unit*
MF Terrace	204	0.50	\$3,600,000.00	\$17,647.06	\$1,378.54
<b>Total</b>	<b>204</b>		<b>\$3,600,000.00</b>		

\* Includes early payment discount and costs of collection

\*\* Unit 3 Assessment apportionment shown after the District imposes and levies Unit 3 Assessments on the land located within Unit 3

**TOSCANA ISLES  
COMMUNITY DEVELOPMENT DISTRICT**

**7**

# TOSCANA ISLES COMMUNITY DEVELOPMENT DISTRICT

Second Supplemental  
Special Assessment  
Methodology Report

October 15, 2018



Provided by:

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## **1.0 Introduction**

### **1.1 Purpose**

This Second Supplemental Special Assessment Methodology Report (the “Second Supplemental Report”) was developed to supplement the Preliminary Master Special Assessment Methodology Report dated April 2, 2014 (the “Master Report”), the Final Supplemental Special Assessment Methodology Report dated October 1, 2014 (the “Supplemental Report”) and the First Addendum to the Master Special Assessment Methodology Report dated October 12, 2018 (the “First Addendum”). This Second Supplemental Report was developed specifically to provide a supplemental financing plan and a supplemental special assessment methodology for financing a portion of the costs of public infrastructure improvements for certain residential units located within the Unit 1 and all residential units located within Unit 2 of the Toscana Isles Community Development District (“District”).

### **1.2 Scope of the Second Supplemental Report**

This Second Supplemental Report presents the projections for financing a portion of the Capital Improvement Program described in the **Engineer’s Report** dated October X, 2018 (the “**Supplemental Engineer’s Report**”) prepared by AM Engineering, Inc. (the “District Engineer”) and describes the method for the allocation of special benefits and the apportionment of special assessments resulting from the provision and funding of the improvements.

### **1.3 Organization of the Second Supplemental Report**

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

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

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

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

## **2.0 Development Program**

### **2.1 Overview**

The District will serve the Toscana Isles development (the "Development" or "Toscana Isles"), a master planned, residential development consisting of approximately 417.7 +/- acres located in the City of Venice, Sarasota County, Florida. The land within the District is generally located East of the Knights Trail Road, West of the Venetian Golf and River Club, North of Laurel Road, and South of Gene Green Road.

### **2.2 The Revised Development Plan**

The development of Toscana Isles has already commenced with a total of 420 residential units of Unit 1 (the improvements for 413 of which were originally funded in part with proceeds of the Series 2014 Bonds) and is anticipated to be conducted for Units 2 and 3 either in whole by LALP Development, LLC (the "Developer"), or in part by the Developer, for Unit 2, and in part by other developers associated with and/or the owners of the land within Unit 3. If developed wholly by the Developer, the revised development plan envisions a total of approximately 1,107 residential units, which represents an increase of 81 residential units from the development plan in effect at the time of adoption by the District of the Master Report, and 80 residential units from the development plan in effect at the time of adoption by the District of the Supplemental Report. In addition, since the time of issuance by the District of its Series 2014 Bonds, new product types were added to the development plan for Unit 1 as it was implemented to better reflect market conditions, with 74' SF and 80' SF residential units added to the initial 50' SF, 60' SF and MF Coach residential units. In addition to the 420 residential units in Unit 1, the revised development plan envisions a total of 483 residential units in Unit 2 and 204 residential units in Unit 3, although unit numbers and land use types may change throughout the development period. Table 1 in the *Appendix* illustrates the revised development plan for Units 1, 2 and 3.

## **3.0 Capital Improvement Program**

### **3.1 Overview**

The infrastructure costs to be funded by the District are described by the District Engineer in the Engineer's Report. Only

infrastructure that has qualified (in the case of the Unit 1 infrastructure that has been funded in part by the District with proceeds of Series 2014 Bonds) and that may qualify for future bond financing by the District under Chapter 190, Florida Statutes, was included in these estimates. The infrastructure for the Unit 1 has already been substantially completed and the balance of the infrastructure construction is projected to occur in two more phases coinciding with the development of Units 2 and 3. The improvements identified by the District Engineer as Unit 1 Improvements serve not only the residential units within Unit 1, but also support the future development of Units 2 and 3. Furthermore, the future installation of Unit 2 Improvements and Unit 3 Improvements, even though necessary to support the development of Units 2 and 3, will in addition add to, integrate with and benefit the existing residential units within Unit 1.

Consequently, even though the Capital Improvement Program is designed to allow for the separate development of Units 1, 2 and 3 in such a way that not all of the improvements needed for the development of Unit 1 are necessary for the development of Units 2 and/or 3, and vice-versa, the improvements needed for the development of Units 2 and/or 3 are not necessary for the development of Unit 1, the three parts in effect comprise three sub-systems of a system of improvements for the entire development and the entire District.

### **3.2 The Revised Capital Improvement Program**

The Capital Improvement Program needed to serve the existing as well as planned development of Toscana Isles is projected to consist of clearing and earthwork for storm water, storm water management system, roadways, sidewalks and paths, water and sewer utilities, gates and entry features, walls and landscaping. As explained in Section 3.1, the Capital Infrastructure Program is designed and is projected to be constructed in three phases, one each for Units 1, 2 and 3. Table 2 in the *Appendix* illustrates the projected total costs of the three phases that comprise the Capital Improvement Program for the three units of development.

At the time of this writing, the total costs of the Capital Improvement Program are estimated at \$26,369,829, an increase over the estimates of \$22,986,995 contained in the Engineer's Report prepared by District Engineer and dated February 17, 2014.

## **4.0 Financing Program**

### **4.1 Overview**

As noted above, the District is continuing a program of capital improvements which will facilitate the development of lands within the District. Notwithstanding the fact that the District has already financed a portion of the costs of Unit 1 Improvements in part with proceeds of the Series 2014 Bonds, it is the District's intention to finance in 2018 a portion of the costs of the revised Capital Improvement Program that was not financed with proceeds of the Series 2014 Bonds, was not contributed to the District at no cost by the Developer as part of the Series 2014 Bonds issuance and will not be contributed to the District at no cost by the Developer as part of the planned issuance of bonds by the District in 2018. The District intends to issue Special Assessment Revenue Bonds, Series 2018 (the "Series 2018 Bonds") in the principal amount of \$15,710,000 to finance infrastructure construction/acquisition costs of approximately \$13,033,336. Such costs represent a portion of the costs of the Unit 1 Improvements and Unit 2 Improvements benefitting the seven (7) residential units in Unit 1 that were not financed in part with proceeds of the Series 2014 Bonds and were not contributed to the District by the Developer, the 483 residential units in Unit 2, as well as the 204 residential units in Unit 3. As according to the First Addendum the total costs of the revised Capital Improvement Program that have been allocated to the allocated seven (7) residential units in Unit 1 that were not financed in part with proceeds of the Series 2014 Bonds and were not contributed to the District by the Developer, the 483 residential units in Unit 2, as well as the 204 residential units in Unit 3 total approximately \$15,042,558, the District expects that the Developer will contribute to the District infrastructure valued at approximately \$2,009,223.

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

The proposed financing plan provides for the issuance of the Series 2018 Bonds in the amount of \$15,710,000 to defray construction/acquisition expenses of approximately \$13,033,336. The Series 2018 Bonds as projected to be amortized in 30 annual installments following a 12-month capitalized interest period. Interest payments on the Bonds would be made every May 1 and November 1, and principal payments on the Bonds would be made every November 1.

In order to finance the \$13,033,336, the District will need to borrow more funds and incur indebtedness in the total amount of \$15,710,000. The difference is comprised of debt service reserve, capitalized interest, underwriter's discount and costs of issuance. Preliminary sources and uses of funding and other financing assumptions are presented in Table 3 in the *Appendix*.

## **5.0 Assessment Methodology**

### **5.1 Overview**

The issuance of the 2018 Bonds provides the District with funds necessary to construct/acquire a portion of the balance of the infrastructure improvements which are part of the revised Capital Improvement Program outlined in *Section 3.2* and described in more detail by the District Engineer in the **Supplemental Engineer's Report**. These improvements lead to special and general benefits, with special benefits accruing to the properties within the boundaries of the District and general benefits accruing to areas outside the District and being only incidental in nature. The debt incurred in financing the infrastructure construction/ acquisition will be paid off by assessing properties that derive special and peculiar benefits from the revised Capital Improvement Program. All properties that receive special benefits from the Capital Improvement Program will be assessed for their fair share of the debt issued in order to finance the construction/acquisition of the Capital Improvement Program.

### **5.1 Benefit Allocation**

According to the District Engineer, the Capital Improvement Program will serve and provide benefit to all residential units in the District and even though the Capital Improvement Program is designed to allow for the separate development of Units 1, 2 and 3 in such a way that not all of the improvements needed for the development of Unit 1 are necessary for the development of Units 2 and/or 3, and vice-versa, the improvements needed for the development of Units 2 and/or 3 are not necessary for the development of Unit 1, the three parts in effect comprise three sub-systems of a system of improvements for the entire development and the entire District. Consequently, the improvements that are part of the Capital Improvement Program will comprise an interrelated system of improvements, which means all of the improvements, once constructed, will serve all residential units within the District.

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

In order to facilitate the marketing of the seven (7) residential units within Unit 1 the infrastructure improvements for which were not financed in part by Series 2014 Bonds and were not contributed to the District by the Developer, as well as all residential units within Unit 2 and Unit 3, the Developer requested that the District limit the amount of annual assessments for debt service on the 2018 Bonds to certain predetermined levels. In order to accomplish that goal, the Developer will contribute infrastructure improvements valued at \$2,009,223 to the District at no cost. Using the ERU benefit allocations developed in Table 4 in the *Appendix* and applying them to the total cost estimate of the Capital Improvement Program of \$26,369,829, Table 5 in the *Appendix* illustrates the allocation of benefit of the Capital Improvement Program to the various residential unit types. The allocation is divided into four (4) parts: the first part for the 413 residential units of Unit 1 whose improvements were financed in part with proceeds of the Series 2014 Bonds and in part with Developer's contribution of improvements to the District; the second part for the seven (7) residential units that are part of Unit 1 and whose improvements are currently projected to be financed in part with proceeds of the Series 2018 Bonds and in part with Developer's contribution of improvements to the District; the third part for the 483 residential units in Unit 2 whose improvements are currently projected to be financed in part with proceeds of the Series 2018 Bonds and in part with Developer's contribution of improvements to the District; and finally fourth part for the 204 residential units in Unit 3 whose

improvements are currently projected to be financed in part with proceeds of the Series 2018 Bonds and in part with Developer's contribution of improvements to the District.

Finally, Table 6 in the *Appendix* illustrates the apportionment of the assessment associated with the Series 2018 Bonds in accordance with the ERU benefit allocation method presented in Table 4 as modified by the effects of Developer's contributions of infrastructure improvements for (1) seven (7) residential units that are part of Unit 1 and whose improvements are currently projected to be financed in part with proceeds of the Series 2018 Bonds; (2) the 483 residential units in Unit 2 whose improvements are currently projected to be financed in part with proceeds of the Series 2018 Bonds.

**Please note that at the time of writing of this First Addendum, the land located within Unit 3 is not owned by the Developer and that the District may not conduct proceedings to impose and levy special assessments for repayment of the Unit 3 Bonds on such land until after the Bonds are issued.**

### **5.3 Assigning Assessment**

The assessment associated with repayment of the Series 2018 Bonds (the "Assessment") will initially be levied only on the parcels of land within Unit 2 and those portions of Unit 1 where the seven (7) units whose improvements will be financed with proceeds of the Series 2018 Bonds are located. As of the time of writing of this Second Supplemental Report, such land has not yet been platted and consequently, the Assessment in the amount of \$15,710,000 will initially be levied on approximately 135.91 +/- gross acres on an equal pro-rata gross acre basis and thus the Assessment in the amount of \$15,710,000 will be preliminarily levied on approximately 135.91 +/- gross acres at a maximum of \$115,591.20 per acre.

As the unplatted land is platted, the Assessment will be allocated to each platted parcel on a first platted-first assigned basis based on the planned use for that platted parcel as reflected in Table 6 in the *Appendix*. Such allocation of Assessment to platted parcels will reduce the amount of Assessment levied on unplatted gross acres.

**The portion of the Assessment apportioned to the 204 residential units in Unit 3 will initially be levied on the parcels of land within Unit 2 and those portions of Unit 1 where the seven (7) units whose improvements are currently projected to be financed with proceeds of the Series 2018 Bonds are**

located. Such levy is necessitated by the fact that the District may not conduct proceedings to impose and levy the Assessment on the land located within Unit 3 until after Series 2018 Bonds are issued. Consequently, (1) upon issuance of the Series 2018 Bonds, the amount of \$2,264,436 will be placed in a retainage subaccount of the Series 2018 Bonds acquisition and construction account; and (2) Assessments on the 204 residential units in Unit 3 will initially be levied on the same land subject to Assessment on the 7 residential units in Unit 1 and 483 residential units in Unit 2. In the event that the District imposes and levies the Assessment on land located within Unit 3 by no later than **September 30, 2019**, (1) the amount of \$2,264,436 will transferred from the retainage subaccount of the Series 2018 Bonds acquisition and construction account into the Series 2018 Bonds acquisition and construction account and made available to fund acquisition and construction costs; and (2) Assessments on the 204 residential units located within Unit 3 will be levied on the land located within Unit 3. Conversely, in the event that the District fails to impose and levy Assessments on the 204 residential units located within Unit 3 on land located within Unit 3 by no later than **September 30, 2019**, (1) the amount of \$2,264,436 will transferred from the retainage subaccount of the Series 2018 Bonds acquisition and construction account into the Series 2018 Bonds bond redemption fund and applied to the extraordinary mandatory redemption of the Series 2018 Bonds on November 1, 2019.

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

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

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

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

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

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

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

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

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

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

#### **5.6 True-Up Mechanism**

The assessment methodology described herein is based on conceptual information obtained from the Developer prior to construction. As development occurs it is possible that the number

of units and residential unit types and numbers may change. The mechanism for maintaining the methodology over the changes is referred to as true-up.

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

If as a result of platting and apportionment of the Assessment, Assessment for land that remains unplatted is equal to less than the levels in shown in Table 6 in the *Appendix* (either as a result of an overall larger number of residential units, same number of larger residential units substituting for smaller residential units, or both), then the per unit Assessment for all residential units will be lowered if that state persists at the conclusion of platting of all land within Units 1, 2 and 3.

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

The owner(s) of the property will be required to immediately remit to the Trustee for redemption a true-up payment equal to the value of the Assessment that represents the units that have been lost as a result of changes in the development plan plus accrued interest to the next succeeding interest payment date on the Unit 1 and Unit 2 Bonds, unless such interest payment date occurs within 45 days of such true-up payment, in which case the accrued interest shall be paid to the following interest payment date.

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

estoppel or similar document to the buyer evidencing the amount of Assessment transferred at sale.

## 5.7 Assessment Roll

Below please find the Preliminary Assessment Roll illustrating the initial apportionment of the Assessment to parcels of land that are subject to the Assessment for the proposed Unit 1 and Unit 2 Bonds. Excluding any capitalized interest period, debt service assessment shall be paid in thirty (30) annual installments.

### Assessment Roll

Parcel ID	Owner	Acres	Assessment
0375010100	LALP Lots VII LLC	18.41	\$2,128,034
0375010105	LALP Lots VII LLC	0.89	\$102,876
0375010115	LALP Lots X LLC	11.86	\$1,370,912
0366130005	LALP Lots XI LLC	6.14	\$709,730
0375010116	LALP Development LLC	0.5	\$57,796
0375010111	LALP Development LLC	2.01	\$232,338
0366130006	LALP Option 1 LLC	10.85	\$1,254,165
0375010110	LALP Development LLC	0.98	\$113,279
0366130004	LALP Lots XI LLC	8.41	\$972,122
0366130001	LALP Option 1 LLC	72.68	\$8,401,168
0375120005	LALP Development LLC	2.3	\$265,860
0375050009	LALP Development LLC	0.38	\$43,925
0375010108	LALP Development LLC	0.25	\$28,898
0375010109	LALP Development LLC	0.25	\$28,898
<b>Total</b>		<b>135.91</b>	<b>\$15,710,000</b>

## 6.0 Additional Stipulations

### 6.1 Overview

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

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

## 7.0 Appendix

Table 1

### Toscana Isles

Community Development District

Revised Development Plan

Product Type	Series 2014			Unit 2 Number of Residential Units	Unit 3 Number of Residential Units	Total Number of Residential Units
	Bond-Funded Unit 1 Number of Residential Units	Remaining Unit 1 Number of Residential Units	Unit 1 Total Number of Residential Units			
40' SF	0	0	0	176	0	176
50' SF	178	5	183	187	0	370
60' SF	146	2	148	99	0	247
74' SF	26	0	26	21	0	47
80' SF	7	0	7	0	0	7
MF Coach	56	0	56	0	0	56
MF Terrace	0	0	0	0	204	204
<b>Total</b>	<b>413</b>	<b>7</b>	<b>420</b>	<b>483</b>	<b>204</b>	<b>1,107</b>

Table 2

### Toscana Isles

Community Development District

Revised Capital Improvement Program

Category	Unit 1 Improvement Costs	Unit 2 Improvement Costs	Unit 3 Improvement Costs	Total Costs
Clearing and Earthwork for Storm Water	\$4,792,600	\$1,444,027	\$278,322	\$6,514,949
Storm Water Management System	\$2,701,291	\$447,688	\$249,000	\$3,397,979
Roadways, Sidewalks & Paths	\$1,996,511	\$1,135,821	\$837,672	\$3,970,004
Water and Sewer Utilities	\$2,970,546	\$2,140,978	\$1,480,385	\$6,591,909
Gates & Entry Features	\$475,850	\$250,000	\$0	\$725,850
Walls, Buffers & Landscaping	\$1,722,615	\$956,178	\$135,827	\$2,814,620
Contingencies	\$0	\$1,853,934	\$500,584	\$2,354,518
<b>Total</b>	<b>\$14,659,413</b>	<b>\$8,228,626</b>	<b>\$3,481,790</b>	<b>\$26,369,829</b>

Table 3

## Toscana Isles

Community Development District

### Sources and Uses of Funds

<u>Sources</u>		Series 2018 Bonds
Bond Proceeds:		
Par Amount		\$15,710,000
<b>Total Sources</b>		<b>\$15,710,000</b>
<u>Uses</u>		
Project Fund Deposits:		
Project Fund		\$13,033,336
Other Fund Deposits:		
Debt Service Reserve Fund		\$1,141,314
Capitalized Interest Fund		\$942,600
		<hr/>
		\$2,083,914
Delivery Date Expenses:		
Costs of Issuance		\$200,000
Underwriter's Discount		\$392,750
		<hr/>
		\$592,750
<b>Total Uses</b>		<b>\$15,710,000</b>

Table 4

## Toscana Isles

Community Development District

### Benefit Allocation

Product Type	Total Number of Residential		Total ERU
	Units	ERU per Unit	
40' SF	176	0.80	140.80
50' SF	370	1.00	370.00
60' SF	247	1.20	296.40
74' SF	47	1.48	69.56
80' SF	7	1.60	11.20
MF Coach	56	0.70	39.20
MF Terrace	204	0.50	102.00
<b>Total</b>	<b>1,107</b>		<b>1,029.16</b>

Table 5

## Toscana Isles

Community Development District

### Revised Capital Improvement Program Cost Allocation - Unit 1, Series 2014 Bonds-Funded Units

Product Type	Number of Units	ERU per Unit	Total ERU	Total Cost Allocation	Total Developer Contribution to Date	Total Cost Financed with Series 2014 Bonds
50' SF	178	1.00	178.00	\$4,560,836	\$856,529	\$3,704,307
60' SF	146	1.20	175.20	\$4,489,092	\$843,055	\$3,646,037
74' SF	26	1.48	38.48	\$985,960	\$185,164	\$800,796
80' SF	7	1.60	11.20	\$286,974	\$53,894	\$233,080
MF Coach	56	0.70	39.20	\$1,004,409	\$188,629	\$815,780
<b>Total</b>	<b>413</b>		<b>442.08</b>	<b>\$11,327,271</b>	<b>\$2,127,271</b>	<b>\$9,200,000</b>

### Revised Capital Improvement Program Cost Allocation - Unit 1, Series 2018 Bonds-Funded Units

Product Type	Number of Units	ERU per Unit	Total ERU	Total Cost Allocation	Total Developer Contribution Required	Total Cost Financed with Series 2018 Bonds
50' SF	5	1.00	5.00	\$128,113	\$17,112	\$111,001
60' SF	2	1.20	2.40	\$61,494	\$8,214	\$53,281
<b>Total</b>	<b>7</b>		<b>7.40</b>	<b>\$189,608</b>	<b>\$25,326</b>	<b>\$164,282</b>

### Revised Capital Improvement Program Cost Allocation - Unit 2, Series 2018 Bonds-Funded Units

Product Type	Number of Units	ERU per Unit	Total ERU	Total Cost Allocation	Total Developer Contribution Required	Total Cost Financed with Series 2018 Bonds
40' SF	176	0.80	140.80	\$3,607,672	\$481,873	\$3,125,799
50' SF	187	1.00	187.00	\$4,791,440	\$639,993	\$4,151,447
60' SF	99	1.20	118.80	\$3,043,973	\$406,586	\$2,637,387
74' SF	21	1.48	31.08	\$796,353	\$106,368	\$689,984
<b>Total</b>	<b>483</b>		<b>477.68</b>	<b>\$12,239,438</b>	<b>\$1,634,821</b>	<b>\$10,604,617</b>

### Revised Capital Improvement Program Cost Allocation - Unit 3, Series 2018 Bonds-Funded Units

Product Type	Number of Units	ERU per Unit	Total ERU	Total Cost Allocation	Total Developer Contribution Required	Total Cost Financed with Series 2018 Bonds
MF Terrace	204	0.50	102.00	\$2,613,513	\$349,076	\$2,264,436
<b>Total</b>	<b>204</b>		<b>102.00</b>	<b>\$2,613,513</b>	<b>\$349,076</b>	<b>\$2,264,436</b>

Table 6

## Toscana Isles

Community Development District

### Assessment Apportionment - Unit 1, Series 2018 Bonds-Funded Units

Product Type	Total Number of Residential Units	ERU per Unit	Total Assessment	Assessment per Unit	Annual Debt Service Assessment Payment per Unit*
50' SF	5	1.00	\$133,797.64	\$26,759.53	\$2,057.20
60' SF	2	1.20	\$64,222.82	\$32,111.41	\$2,468.63
<b>Total</b>	<b>7</b>		<b>\$198,020.46</b>		

\* Includes early payment discount and costs of collection

### Assessment Apportionment - Unit 2, Series 2018 Bonds-Funded Units

Product Type	Total Number of Residential Units	ERU per Unit	Total Assessment	Assessment per Unit	Annual Debt Service Assessment Payment per Unit*
40' SF	176	0.80	\$3,767,746.17	\$21,407.65	\$1,645.76
50' SF	187	1.00	\$5,004,031.80	\$26,759.53	\$2,057.20
60' SF	99	1.20	\$3,179,029.39	\$32,111.41	\$2,468.63
74' SF	21	1.48	\$831,687.02	\$39,604.14	\$3,044.65
<b>Total</b>	<b>483</b>		<b>\$12,782,494.38</b>		

\* Includes early payment discount and costs of collection

### Assessment Apportionment - Unit 3, Series 2018 Bonds-Funded Units\*\*

Product Type	Total Number of Residential Units	ERU per Unit	Total Assessment	Assessment per Unit	Annual Debt Service Assessment Payment per Unit*
MF Terrace	204	0.50	\$2,729,485.16	\$13,379.83	\$1,028.60
<b>Total</b>	<b>204</b>		<b>\$2,729,485.16</b>		

\* Includes early payment discount and costs of collection

\*\* Unit 3 Assessment apportionment shown after the District imposes and levies Unit 3 Assessments on the land located within Unit 3

**TOSCANA ISLES  
COMMUNITY DEVELOPMENT DISTRICT**

**8**

## RESOLUTION 2019-01

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF TOSCANA ISLES COMMUNITY DEVELOPMENT DISTRICT DECLARING SPECIAL ASSESSMENTS; INDICATING THE LOCATION, NATURE AND ESTIMATED COST OF THE IMPROVEMENTS WHICH COST IS TO BE DEFRAYED IN WHOLE OR IN PART BY THE SPECIAL ASSESSMENTS; PROVIDING THE PORTION OF THE ESTIMATED COST OF THE IMPROVEMENTS TO BE DEFRAYED IN WHOLE OR IN PART BY THE SPECIAL ASSESSMENTS; PROVIDING THE MANNER IN WHICH SUCH SPECIAL ASSESSMENTS SHALL BE MADE; PROVIDING WHEN SUCH SPECIAL ASSESSMENTS SHALL BE MADE; DESIGNATING LANDS UPON WHICH THE SPECIAL ASSESSMENTS SHALL BE LEVIED; PROVIDING FOR AN ASSESSMENT PLAT; AUTHORIZING THE PREPARATION OF A PRELIMINARY ASSESSMENT ROLL; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the Board of Supervisors (the "**Board**") of Toscana Isles Community Development District (the "**District**") has determined to construct and/or acquire certain public improvements (the "**Project**") set forth in the plans and specifications described in the Supplemental Engineer's Report dated October 15, 2018, which is available for review at 6561 Palmer Park Circle, Suite B, Sarasota, Florida 34238 (the "**District Records Office**") and at the offices of Wrathell, Hunt & Associates, LLC, 2300 Glades Road, Suite 410W, Boca Raton, Florida 33431 ("**District Manager's Office**"); and

**WHEREAS**, the Board finds that it is in the best interest of the District to pay the cost of the Project, or portions thereof, by imposing, levying, and collecting special assessments pursuant to Chapters 170 and 190, Florida Statutes (the "**Assessments**"); and

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

**WHEREAS**, the District hereby determines that benefits will accrue to the property improved, the amount of those benefits, and that the Assessments will be made in proportion to the benefits received as set forth in the First Addendum to Master Special Assessment Methodology Report dated October 15, 2018, (the "**Assessment Report**") incorporated by reference as part of this Resolution and on file in the District Records Office and the District Manager's Office; and

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

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD THAT:**

1. The foregoing recitals are hereby incorporated as the findings of fact of the Board.
2. Assessments shall be levied to defray a portion of the cost of the Project.
3. The nature of the Project generally consists of clearing and earthwork for storm water management system, storm water management system, roads, sidewalks, and paths, utilities (water mains, sanitary sewer systems, and force mains), gate & entry features (monuments, landscaping, fountain, guardhouse), walls, buffers, & landscaping, and off-site infrastructure all as described more particularly in the plans and specifications on file in the District Records Office and the District Manager's Office, which are by specific reference incorporated herein and made part hereof.
4. The general locations of the Project are as shown on the plans and specifications referred to above.
5. The estimated cost of the Project is approximately \$\_\_\_\_\_ (hereinafter referred to as the "**Estimated Cost**").
6. The Assessments will defray approximately \$\_\_\_\_\_ of the expenses, which includes a portion of the Project, plus financing related costs, capitalized interest, a debt service reserve and contingency, all which shall be financed by the District's proposed 2018 special assessment revenue bonds.
7. The manner in which the Assessments shall be made is based upon an allocation of the benefits among the parcels or real property benefited by the Project as set forth in the Assessment Report. As provided in further detail in the Assessment Report, the Assessments will be levied initially on a per acre basis over the applicable benefitted lands within the District. On and after the date benefitted lands within the District are specifically platted, the Assessments as to platted lots will be levied in accordance with the Assessment Report, that is, on a combination of a front foot basis and a per unit basis.
8. In the event the actual cost of the Project exceeds the Estimated Cost, such excess shall also be paid by the District from its general revenues if available or additional assessments or contributions from other entities.
9. The Assessments shall be levied in accordance with the Assessment Report referenced above on the lots and lands, within the District, which are adjoining and contiguous or bounding and abutting upon the Project or specially benefited thereby and further designated by the assessment plat hereinafter provided for.
10. There is on file in the District Records Office and the District Manager's Office, an assessment plat showing the area to be assessed, with the plans and specifications describing the Project and the Estimated Cost, all of which shall be open to inspection by the public.

11. The Chair of the Board has caused the District Manager to prepare a preliminary assessment roll, a copy of which is attached in the Assessment Report, which shows the lots and lands assessed, the amount of benefit to and the assessment against each lot or parcel of land and the number of annual installments into which the assessment is divided. The preliminary assessment roll is part of the Assessment Report which is on file at the District Records Office and at the District Manager's Office.

12. In accordance with the Assessment Report and commencing with the year in which the District is obligated to make payment of a portion of the Estimated Cost of the Project acquired by the District, the Assessments shall be paid in not more than thirty annual installments payable at the same time and in the same manner as are ad valorem taxes and as prescribed by Chapter 197, Florida Statutes; provided, however, that in the event the non-ad valorem assessment method of collecting the Assessments is not available to the District in any year, or the District determines not to utilize the provision of Chapter 197, Florida Statutes. the Assessments may be collected as is otherwise permitted by law.

**PASSED AND ADOPTED THIS 17<sup>th</sup> DAY OF OCTOBER, 2018.**

**ATTEST:**

**Toscana Isles  
Community Development District**

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Secretary/ Assistant Secretary

\_\_\_\_\_  
Samantha Hays  
Chair of the Board of Supervisors

Attachments:

First Addendum to the Master Special Assessment Methodology Report dated October 15, 2018  
Supplemental Engineer's Report dated October 15, 2018

**TOSCANA ISLES  
COMMUNITY DEVELOPMENT DISTRICT**

**9**

**RESOLUTION 2019-02**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE TOSCANA ISLES COMMUNITY DEVELOPMENT DISTRICT SETTING A PUBLIC HEARING TO BE HELD ON 3RD DAY, DECEMBER, 2018, AT 10:00 A.M. AT 6561 PALMER PARK CIRCLE, SUITE B, SARASOTA, FLORIDA 34238, FOR THE PURPOSE OF HEARING PUBLIC COMMENT ON IMPOSING A SPECIAL ASSESSMENT ON CERTAIN PROPERTY WITHIN THE DISTRICT GENERALLY DESCRIBED AS TOSCANA ISLES COMMUNITY DEVELOPMENT DISTRICT IN ACCORDANCE WITH CHAPTERS 170, 190 AND 197, FLORIDA STATUTES.**

**WHEREAS**, the Board of Supervisors of the Toscana Isles Community Development District, ("**Board**") has previously adopted Resolution No. 2019-01, entitled

A RESOLUTION OF THE BOARD OF SUPERVISORS OF TOSCANA ISLES COMMUNITY DEVELOPMENT DISTRICT DECLARING SPECIAL ASSESSMENTS; INDICATING THE LOCATION, NATURE AND ESTIMATED COST OF THE IMPROVEMENTS WHICH COST IS TO BE DEFRAIDED IN WHOLE OR IN PART BY THE SPECIAL ASSESSMENTS; PROVIDING THE PORTION OF THE ESTIMATED COST OF THE IMPROVEMENTS TO BE DEFRAIDED IN WHOLE OR IN PART BY THE SPECIAL ASSESSMENTS; PROVIDING THE MANNER IN WHICH SUCH SPECIAL ASSESSMENTS SHALL BE MADE; PROVIDING WHEN SUCH SPECIAL ASSESSMENTS SHALL BE MADE; DESIGNATING LANDS UPON WHICH THE SPECIAL ASSESSMENTS SHALL BE LEVIED; PROVIDING FOR AN ASSESSMENT PLAT; AUTHORIZING THE PREPARATION OF A PRELIMINARY ASSESSMENT ROLL; AND PROVIDING FOR AN EFFECTIVE DATE.

**WHEREAS**, in accordance with Resolution No. 2019-\_\_\_\_\_, a preliminary assessment roll has been prepared and all other conditions precedent set forth in Chapters 170, 190 and 197, Florida Statutes; to the holding of the aforementioned public hearing have been satisfied, and the roll and related documents are available for public inspection at 6561 Palmer Park Circle, Suite B, Sarasota, Florida 34238 ("**District Records Office**") and at the offices of Wrathell, Hunt & Associates, LLC, 2300 Glades Road, Suite 410W, Boca Raton, Florida 33431 ("**District Manager's Office**").

**NOW THEREFORE BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE TOSCANA ISLES COMMUNITY DEVELOPMENT DISTRICT:**

1. There is hereby declared a public hearing to be held on 3rd day, December, 2018, at 10:00 a.m., at 6561 Palmer Park Circle, Suite B, Sarasota, Florida 34238, for the purpose of hearing comment and objection to the proposed special assessment program for

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

2. Notice of said hearing shall be advertised in accordance with Chapters 170, 190 and 197 Florida Statutes, and the District Manager is hereby authorized to place said notice in a newspaper of general circulation within Sarasota County (by two publications one week apart with the first publication at least twenty (20) days prior to the date of the hearing established herein). The District Manager shall file a publisher's affidavit with the District Secretary verifying such publication of notice. The District Manager is further authorized and directed to give (30) thirty days written notice by mail of the time and place of this hearing to the owners of all property to be assessed and include in such notice the amount of the assessment for each such property owner, a description of the areas to be improved and notice that information concerning all assessments may be ascertained at the District Records Office. The District Manager shall file proof of such mailing by affidavit with the District Secretary.

3. This Resolution shall become effective upon its passage.

**PASSED AND ADOPTED THIS 17TH DAY OF OCTOBER, 2018.**

**ATTEST:**

**TOSCANA ISLES COMMUNITY DEVELOPMENT  
DISTRICT**

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

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

\_\_\_\_\_  
Chair/ Vice Chair

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

**TOSCANA ISLES  
COMMUNITY DEVELOPMENT DISTRICT**

**10**

## RESOLUTION 2019-03

**A RESOLUTION OF TOSCANA ISLES COMMUNITY DEVELOPMENT DISTRICT SUPPLEMENTING ITS RESOLUTION 2014-12 BY AUTHORIZING THE ISSUANCE OF ITS TOSCANA ISLES COMMUNITY DEVELOPMENT DISTRICT SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018 IN A PRINCIPAL AMOUNT OF NOT EXCEEDING \$20 MILLION FOR THE PRINCIPAL PURPOSE OF ACQUIRING AND CONSTRUCTING ASSESSABLE IMPROVEMENTS; DELEGATING TO THE CHAIRMAN OR VICE CHAIRMAN OF THE BOARD OF SUPERVISORS OF THE DISTRICT, SUBJECT TO COMPLIANCE WITH THE APPLICABLE PROVISIONS HEREOF, THE AUTHORITY TO AWARD THE SALE OF SUCH 2018 BONDS TO FMSBONDS, INC. BY EXECUTING AND DELIVERING TO SUCH UNDERWRITER A BOND PURCHASE AGREEMENT AND APPROVING THE FORM THEREOF; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF THE SECOND SUPPLEMENTAL TRUST INDENTURE; APPOINTING U.S. BANK NATIONAL ASSOCIATION AS THE TRUSTEE, BOND REGISTRAR AND PAYING AGENT FOR SUCH 2018 BONDS; MAKING CERTAIN FINDINGS; APPROVING FORM OF SAID 2018 BONDS; APPROVING THE FORM OF THE PRELIMINARY LIMITED OFFERING MEMORANDUM AND AUTHORIZING THE USE BY THE UNDERWRITER OF THE PRELIMINARY LIMITED OFFERING MEMORANDUM AND THE LIMITED OFFERING MEMORANDUM AND THE EXECUTION OF THE LIMITED OFFERING MEMORANDUM; APPROVING THE FORM OF THE CONTINUING DISCLOSURE AGREEMENT AND AUTHORIZING THE EXECUTION THEREOF; AUTHORIZING CERTAIN OFFICIALS OF TOSCANA ISLES COMMUNITY DEVELOPMENT DISTRICT AND OTHERS TO TAKE ALL ACTIONS REQUIRED IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF SAID 2018 BONDS; PROVIDING CERTAIN OTHER DETAILS WITH RESPECT TO SAID 2018 BONDS; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, Toscana Isles Community Development District (the "District") is authorized by Florida Statutes, Chapter 190 (the "Act") and Ordinance No. 2013-38 of the City of Venice, Florida, (the "Ordinance"), to issue its bonds for the purpose of acquiring and constructing assessable improvements all as provided in the Act and the Ordinance; and

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

**WHEREAS**, the District pursuant to its Resolution 2014-12 (the "First Resolution") authorized the issuance of its not exceeding \$34,995,000 principal amount of its special assessment revenue bonds (the "Bonds") in separate series for the purposes set forth in said First Resolution and approved the form of the Master Indenture (hereinafter defined) in substantially the form attached to the First Resolution; and

**WHEREAS**, the only Bonds previously issued by the District are its Special Assessment Revenue Bonds, Series 2014 issued in the original principal amount of \$10,360,000; and

**WHEREAS**, the Bonds were validated by a final judgment rendered by the Circuit Court in and for Sarasota County, Florida on May 21, 2014; and

**WHEREAS**, the District now desires to supplement the First Resolution, to authorize the issuance of and award the sale of its Special Assessment Revenue Bonds, Series 2018 (the "2018 Bonds") in a principal amount not exceeding \$20 million, to approve the Supplemental Indenture (hereinafter defined) and to provide for various other matters relating to the issuance of the 2018 Bonds; and

**WHEREAS**, the Board of Supervisors of the District (the "Board") has received from FMSbonds, Inc. (the "Underwriter") a proposal in the form of a Bond Purchase Agreement (the "Contract") for the purchase of the 2018 Bonds and the Board has determined that acceptance of such proposal and the sale of the 2018 Bonds to the Underwriter is in the best interest of the District for the reasons hereafter indicated;

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

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

**SECTION 2. Authorization.** There is hereby authorized to be issued the 2018 Bonds in a principal amount not exceeding \$20,000,000. The 2018 Bonds shall be issued under and secured by that Master Trust Indenture dated as of October 1, 2014 or (the "Master Indenture") as supplemented by that Second Supplemental Trust Indenture dated as of December 1, 2018 or such other date as shall be conclusively approved by execution thereof by the Chairman or the Vice Chairman (the "Supplemental Indenture") both by and between the District and U.S. Bank National Association, as trustee (the "Trustee") (the Master Indenture and the Supplemental Indenture are referred to collectively as the "Indenture"). The proceeds of the 2018 Bonds shall be used for the purposes set forth in the Supplemental Indenture and the Limited Offering Memorandum (hereinafter defined).

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

**SECTION 4. Negotiated Sale.** The Board hereby determines that a negotiated sale of the 2018 Bonds to the Underwriter is in the best interest of the District because of prevailing market conditions, because delays caused by soliciting competitive bids could adversely affect the District's ability to issue and deliver the 2018 Bonds at presently favorable interest rates, and because the nature of the security for the 2018 Bonds and the sources of payment of debt service on the 2018 Bonds require the participation of an underwriter in structuring the bond issue.

**SECTION 5. Contract Approved.** The Board hereby approves the Contract submitted by the Underwriter in substantially the form attached as **Exhibit B** hereto. The Chairman or Vice Chairman of the Board is hereby authorized to execute the Contract and to deliver the Contract to the Underwriter with such changes, amendments, modifications, omissions and additions as may be approved by the executing Chairman or Vice Chairman; provided that (i) the principal amount of the 2018 Bonds shall not exceed \$20,000,000; (ii) the interest rate on none of the 2018 Bonds will exceed the maximum rate permitted by applicable Florida law; (iii) the Underwriter's discount shall not exceed two percent (2.0%) of the principal amount of the 2018 Bonds; (iv) the 2018 Bonds shall be subject to optional redemption no later than November 1, 2032 at a Redemption Price not in excess of 100% of the principal amount to be redeemed plus accrued interest to the redemption date; and (v) the final maturity of the 2018 Bonds shall be no later than the maximum maturity permitted by applicable Florida law.

**SECTION 6. Preliminary Limited Offering Memorandum and Limited Offering Memorandum.** The District hereby approves the Preliminary Limited Offering Memorandum in substantially the form attached hereto as **Exhibit C** (the "Preliminary Limited Offering Memorandum") and authorizes its distribution and use by the Underwriter in connection with the offering for the sale of the 2018 Bonds. If between the date hereof and the mailing of the Preliminary Limited Offering Memorandum it is necessary to make insertions, modifications and changes to the Preliminary Limited Offering Memorandum, the Chairman or Vice Chairman is hereby authorized to approve such insertions, changes and modifications, and, the Chairman or Vice Chairman is hereby authorized to deem the Preliminary Limited Offering Memorandum "final" within the meaning of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") under the Securities Exchange Act of 1934, in the form as mailed and in furtherance thereof to execute a certificate evidencing same. The preparation of a final Limited Offering Memorandum is hereby approved and the Chairman or Vice Chairman is hereby authorized to execute such final Limited Offering Memorandum to be dated the date of the award of the 2018 Bonds and, upon such award, to deliver the same to the Underwriter for use by it in connection with the sale and distribution of the 2018 Bonds. The Limited Offering Memorandum shall be substantially in the form of the final Preliminary Limited Offering Memorandum, with such changes as shall be approved by the Chairman or Vice Chairman as necessary to conform to the details of the 2018 Bonds and such other insertions, modifications and changes as may be approved by the Chairman or Vice Chairman. The execution and delivery of the Limited Offering Memorandum by the Chairman or Vice Chairman shall constitute evidence of the approval thereof. The District hereby authorizes the use of the

Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and the information contained therein in connection with the offering and sale of the 2018 Bonds.

**SECTION 7. Form of 2018 Bonds.** The 2018 Bonds shall be in substantially the form as set forth in the exhibit to the Supplemental Indenture, with such additions, deletions and other changes thereto as the officials of the Board executing the 2018 Bonds shall approve, such approval to be conclusively evidenced by the execution of the 2018 Bonds (by manual or facsimile signature) by such officials. The Board hereby authorizes and approves the use of a facsimile of the District seal on the 2018 Bonds.

**SECTION 8. Continuing Disclosure Agreement.** The form and content of the Continuing Disclosure Agreement (the "Disclosure Document") relating to the 2018 Bonds attached hereto as **Exhibit D** is hereby approved. The Chairman or Vice Chairman and the Secretary or any Assistant Secretary are hereby authorized to execute on behalf of the District the Disclosure Document in substantially the form attached hereto, with such additions, deletions, and other changes as may be necessitated by applicable law, this Resolution and the Contract as such officers may approve (such approval to be conclusively evidenced by their execution of the Disclosure Document).

**SECTION 9. Application of 2018 Bond Proceeds.** Proceeds of the 2018 Bonds, shall be applied as provided in the Supplemental Indenture.

**SECTION 10. Open Meetings.** It is hereby found and determined that all official acts of this Board concerning and relating to the issuance, sale, and delivery of the 2018 Bonds, including but not limited to adoption of this Resolution, were taken in open meetings of the members of the Board and all deliberations of the members of the Board that resulted in such official acts were in meetings open to the public, in compliance with all legal requirements including, but not limited to, the requirement of Florida Statutes, Section 286.011.

**SECTION 11. Other Actions.** The Chairman, the Vice Chairman, the Secretary, any Assistant Secretary and the District Manager of the District, and any authorized designee thereof (collectively, the "District Officers"), Akerman LLP, as Bond Counsel, Straley Robin Vericker P.A. the District's General Counsel, and any other consultant or experts retained by the District, are hereby authorized and directed to take all actions necessary or desirable in connection with the issuance and delivery of the 2018 Bonds and the consummation of all transactions in connection therewith. The District Officers are hereby authorized and directed to execute all necessary or desirable certificates, documents, papers, and agreements necessary to the undertaking and fulfillment of all transactions referred to in or contemplated by the Supplemental Indenture, the Preliminary Limited Offering Memorandum, the Limited Offering Memorandum, this Resolution, the Disclosure Document and the Contract.

**SECTION 12. Approval of Prior Actions.** All actions taken to date by the members of the Board and the officers, agents, and employees of the District in furtherance of the issuance of the Bonds are hereby approved, confirmed and ratified.

**SECTION 13. Inconsistent Resolutions and Motions.** All prior resolutions of the Board inconsistent with the provisions of this Resolution are hereby modified, supplemented and amended to conform with the provisions herein contained and, except as so modified, supplemented and amended hereby, shall remain in full force and effect.

**SECTION 14. 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 15. Effective Date.** This Resolution shall become effective immediately upon its adoption.

ADOPTED this 17<sup>th</sup> day of October, 2018.

**TOSCANA ISLES COMMUNITY  
DEVELOPMENT DISTRICT**

By: \_\_\_\_\_  
Chair/Vice Chair, Board of Supervisors

[SEAL]  
Attest:

By: \_\_\_\_\_  
Secretary/Assistant Secretary

**SECOND SUPPLEMENTAL TRUST INDENTURE**  
**BETWEEN**  
**TOSCANA ISLES COMMUNITY DEVELOPMENT DISTRICT**  
**AND**  
**U.S. BANK NATIONAL ASSOCIATION,**  
**AS TRUSTEE**

**Dated as of December 1, 2018**

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

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**Exhibit "A"** Description of the 2018 Project

**Exhibit "B"** The Series 2018 Bonds

**Exhibit "C"** Form of 2018 Acquisition and Construction Account Requisition

## SECOND SUPPLEMENTAL TRUST INDENTURE

THIS **SECOND SUPPLEMENTAL TRUST INDENTURE** (the "Second Supplemental Indenture") dated as of December 1, 2018, from **TOSCANA ISLES COMMUNITY DEVELOPMENT DISTRICT** (the "District") to **U.S. BANK NATIONAL ASSOCIATION**, as trustee (the "Trustee"), a national banking association authorized to accept and execute trusts of the character herein set out within the State of Florida.

**WHEREAS**, the District has entered into a Master Trust Indenture dated as of October 1, 2014 (the "Master Indenture"), with the Trustee to secure the issuance of its Toscana Isles Community Development District Special Assessment Revenue Bonds (the "Bonds"), issuable in one or more Series from time to time; and

**WHEREAS**, pursuant to Resolution No. 2014-12 adopted by the Board of the District on February 18, 2014 (the "Bond Resolution"), the District has authorized the issuance of its not exceeding \$34,995,000 Toscana Isles Community Development District Special Assessment Revenue Bonds, in one or more Series (the "Bonds"), and authorized the execution and delivery of the Master Indenture to secure the issuance of the Bonds; and

**WHEREAS**, the Bonds were validated by the Circuit Court of the Twelfth Judicial Circuit of the State of Florida in and for Sarasota County, Florida in a Final Judgment rendered on May 21, 2014, and the appeal period from such final judgment has expired with no appeal being taken; and

**WHEREAS**, the only Bonds previously issued by the District are its \$10,360,000 original principal amount of Special Assessment Revenue Bonds, Series 2014; and

**WHEREAS**, the Board of the District has duly adopted resolutions pursuant to Sections 170.03, 170.07 and 170.08, Florida Statutes, defining assessable property to be benefited by the 2018 Project (hereinafter defined), defining the portion of the Cost of the 2018 Project with respect to which Series 2018 Assessments (hereinafter defined) will be imposed and the manner in which such Series 2018 Assessments shall be levied against such benefited property within the District, directing the preparation of an assessment roll, calling for a public hearing of the District at which owners of property to be subject to the Series 2018 Assessments may be heard as to the propriety and advisability of undertaking the 2018 Project, as to the cost thereof, the manner of payment therefor, and the amount to be assessed against each property improved by the 2018 Project, and stating the intent of the District to issue the Series 2018 Bonds (as herein defined) secured by such Series 2018 Assessments to finance the costs of the acquisition and construction of the 2018 Project and the Board of the District has duly adopted a resolution, following a public hearing conducted in accordance with the Act, to fix and establish the Series 2018 Assessments and the benefited property (collectively the "Assessment Resolution"); and

**WHEREAS**, pursuant to the Bond Resolution, as supplemented by District Resolution \_\_\_\_\_ adopted by the Board of the District on October 17, 2018 the District has authorized the issuance, sale and delivery of its \$ \_\_\_\_\_ Toscana Isles Community Development District Special Assessment Revenue Bonds, Series 2018 (the "Series 2018 Bonds") as a Series of Bonds under the Master Indenture and authorized the execution and delivery of this Second

Supplemental Indenture (collectively with the Master Indenture, the "Indenture") to secure the issuance of the Series 2018 Bonds and to set forth the terms of the Series 2018 Bonds; and

**WHEREAS**, the District will apply the proceeds of the Series 2018 Bonds to: (i) finance the Cost of acquisition, construction, installation and equipping of a portion of the 2018 Project which 2018 Project is further described in **Exhibit A** hereto (hereinafter, the "2018 Project") which 2018 Project will consist of "Assessable Improvements" providing special benefits to properties in Units 2 and 3 of the District; (ii) pay certain costs associated with the issuance of the Series 2018 Bonds; (iii) to pay a portion of the interest accruing on the Series 2018 Bonds; and (iv) fund the 2018 Reserve Account as herein provided; and

**WHEREAS**, the execution and delivery of the Series 2018 Bonds and of this Second Supplemental Indenture have been duly authorized by the Board of the District and all things necessary to make the Series 2018 Bonds, when executed by the District and authenticated by the Trustee, valid and binding legal obligations of the District and to make this Second Supplemental Indenture a valid and binding agreement and, together with the Master Indenture, a valid and binding lien on the 2018 Trust Estate (as hereinafter defined) have been done;

**NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THIS SECOND 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 2018 Bonds by the purchaser or purchasers thereof, and other good and valuable consideration, receipt of which is hereby acknowledged, and in order to further secure the payment of the principal and Redemption Price of, and interest on, all Series 2018 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 Second Supplemental Indenture and in the Series 2018 Bonds: (a) has executed and delivered this Second Supplemental Indenture and (b) does hereby, grant, bargain, sell, convey, transfer, assign and pledge unto the Trustee, and unto its successors in interest the trusts under the Master Indenture, and to them and their successors and assigns forever, all right, title and interest of the District, in, to and under, subject to the terms and conditions of the Master Indenture and the provisions of the Master Indenture pertaining to the application thereof for or to the purposes and on the terms set forth in the Master Indenture, the revenues derived by the District from the Series 2018 Assessments levied and imposed pursuant to the Assessment Proceedings as the same may be amended from time to time (the "2018 Pledged Revenues") and the Funds and Accounts (except for the 2018 Rebate Account and the 2018 Cost of Issuance Account established hereby (the "2018 Pledged Funds" and collectively with the "2018 Pledged Revenues," the "2018 Trust Estate") which shall comprise the Trust Estate securing only the Series 2018 Bonds;

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

**IN TRUST NEVERTHELESS**, except as in each such case may otherwise be provided in the Master Indenture, upon the terms and trusts in the Master Indenture set forth for the equal and proportionate benefit, security and protection of all and singular the present and future Owners of the Series 2018 Bonds issued or to be issued under and secured by this Second Supplemental Indenture, without preference, priority or distinction as to lien or otherwise, of any Series 2018 Bond over any other Series 2018 Bond by reason of priority in their issue, sale or execution;

**PROVIDED HOWEVER**, that if the District, its successors or assigns, shall well and duly pay, or cause to be paid, or make due provision for the payment of the principal and Redemption Price of the Series 2018 Bonds or any Series 2018 Bond secured and Outstanding under this Second Supplemental Indenture and the interest due or to become due thereon, at the times and in the manner mentioned in the Series 2018 Bonds and this Second 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 Second Supplemental Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provision of the Master Indenture and this Second Supplemental Indenture, then upon such final payments, this Second Supplemental Indenture and the rights hereby granted shall cease and terminate, with respect to all Series 2018 Bonds or any Series 2018 Bond of a particular maturity, otherwise this Second Supplemental Indenture shall remain in full force and effect;

**THIS SECOND SUPPLEMENTAL INDENTURE FURTHER WITNESSETH**, and it is expressly declared, that all Series 2018 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 Second Supplemental Indenture), including this Second 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 2018 Bonds, as follows:

## **ARTICLE I DEFINITIONS**

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

"Acquisition Agreement" shall mean any document, including any and all amendments thereto, pursuant to which the Developer conveys to the District any portion of the 2018 Project.

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

"Assessment Interest" shall mean the interest on Series 2018 Assessments received by the District which is pledged to the Series 2018 Bonds, other than Delinquent Assessment Interest.

"Assessment Principal" shall mean the principal amount of Series 2018 Assessments received by the District which are pledged to the Series 2018 Bonds, other than Delinquent Assessment Principal and Prepayment Principal.

"Assessment Proceedings" shall mean the proceedings of the District with respect to the establishment, levy and collection of the Series 2018 Assessments, including the Assessment Resolution and any supplemental proceedings undertaken by the District with respect to the Series 2018 Assessments.

"Beneficial Owner" shall mean the owners from time to time of the Series 2018 Bonds for federal income tax purposes.

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

"Bond Participants" shall mean that those broker-dealers, banks and other financial institutions from time to time for which the Bond Depository holds Series 2018 Bonds as securities depository.

"Collateral Assignment" shall mean collectively that certain [Collateral Assignment and Assumption of Development Rights Relating to the Series 2018 Project] and dated the initial delivery date of the Series 2018 Bonds, between the District and the Developer, as amended from time to time.

"Continuing Disclosure Agreement" shall mean collectively that certain Continuing Disclosure Agreement dated the date of issuance and delivery of the Series 2018 Bonds, among the District and the Developer and joined in by the Trustee and Disclosure Representative (as defined therein), as originally executed and as amended from time to time in accordance with the terms thereof.

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

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

"Developer" shall mean \_\_\_\_\_, a Florida limited liability company.

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

"Interest Payment Date" shall mean each May 1 and November 1, commencing May 1, 2019.

"Majority Owners" shall mean the Beneficial Owners of more than fifty percent (50%) of the aggregate principal amount of the Series 2018 Bonds then Outstanding.

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

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

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

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

"Series 2018 Assessments" shall mean the Special Assessments levied against properties within the District specially benefited by the 2018 Project all as described in the Assessment Proceedings.

"Substantially Absorbed" means the date at least \_\_% of the principal portion of the Series 2018 Assessments have been assigned to residential units that have received certificates of occupancy and all lots subject to the Series 2018 Assessments have been platted and developed.

"Term Bonds" shall mean the Series 2018 Bonds that mature on one date and that are subject to mandatory redemption from Amortization Installments.

Unit 3" shall mean those lands within the boundaries of the District subject to that certain Option 2 Agreement dated October 6, 2010 as amended by and between Caribbean Bay Mortgage Lender, LLC a Florida limited liability company and LALP Option 2, LLC, a Florida limited liability company.

"Unit 3 Project" shall mean "Assessable Improvements" to be financed with a portion of the proceeds of the Series 2018 Bonds that will provide special benefit to that portion of the District identified as Unit 3 in the report of AM Engineering Inc. dated \_\_\_\_\_, 2018 which report has been approved by the Board.

"Unit 3 Project Completion Date" shall mean the date on which the Unit 3 Project is fully installed and operational in accordance with the plans and specifications therefor all as evidenced by a certificate of the District Engineer.

"2018 Investment Obligations" shall mean those obligations described under the definition of "Investment Securities" in the Master Indenture.

"2018 Reserve Account Requirement" shall mean \_\_\_\_\_ percent (\_\_\_%) the Maximum Annual Debt Service Requirement for the Series 2018 Bonds as of the time of any such calculation (\$\_\_\_\_\_ on the dated date of the Series 2018 Bonds) provided, however, that on and after the date on which the Series 2018 Assessments have been Substantially Absorbed as evidenced by a certificate to such effect delivered to the Trustee from a Responsible Officer on which the Trustee may conclusively rely, the 2018 Reserve Account Requirement shall mean fifty percent (\_\_\_%) of the Maximum Annual Debt Service Requirement for the Series 2018 Bonds, as of the time of such calculation.

## ARTICLE II

### AUTHORIZATION, ISSUANCE AND PROVISIONS OF SERIES 2018 BONDS

Section 201. Authorization of Series 2018 Bonds; Book-Entry Only Form. The Series 2018 Bonds are hereby authorized to be issued in the aggregate principal amount of \$\_\_\_\_\_ for the purposes enumerated in the recitals hereto. The Series 2018 Bonds shall be substantially in the form set forth as **Exhibit B** to this Second Supplemental Indenture. Each Series 2018 Bond shall bear the designation "2018" and be numbered consecutively from 1 upwards.

The Series 2018 Bonds shall be initially issued in the form of a separate single certificated fully registered Series 2018 Bond for each maturity of Series 2018 Bonds. Upon initial issuance, the ownership of such Series 2018 Bond shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of The Depository Trust Company, New York, New York ("DTC"), the initial Bond Depository. Except as provided in this Section 201, all of the Outstanding Series 2018 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 2018 Bonds registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, the District, the Trustee, the Bond Registrar and the Paying Agent shall have no responsibility or obligation to any such Bond Participant or to any Beneficial Owner. Without limiting the immediately preceding sentence, the District, the Trustee, the Bond Registrar and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Bond Participant with respect to any ownership interest in the Series 2018 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 2018 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 2018 Bonds. The District, the Trustee, the Bond Registrar and the Paying Agent may treat and consider the person in whose name each Series 2018 Bond is registered in the registration books kept by the Bond Registrar as the absolute owner of such Series 2018 Bond for the purpose of payment of principal, premium

and interest with respect to such Series 2018 Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2018 Bond, for the purpose of registering transfers with respect to such Series 2018 Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium, if any, and interest on the Series 2018 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 2018 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 2018 Bond evidencing the obligation of the District to make payments of principal, premium, if any, and interest pursuant to the provisions hereof. Upon delivery by DTC to the District of written notice to the effect that DTC has determined to substitute a new Nominee in place of Cede & Co., and subject to the provisions therein with respect to Record Dates, the words "Cede & Co." in this Second 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 2018 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 2018 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 2018 Bonds shall no longer be restricted to being registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names the Beneficial Owners shall designate, in accordance with the provisions hereof.

Section 202. Terms of Series 2018 Bonds. The Series 2018 Bonds shall be issued as \_\_\_\_ ( ) Term Bonds as set forth below and shall bear interest at the fixed interest rates per annum and shall mature in the amounts and on the dates set forth below:

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

Section 203. Dating; Interest Accrual. Each Series 2018 Bond shall be dated December \_\_, 2018. Each Series 2018 Bond shall also bear its date of authentication. Each Series 2018 Bond shall bear interest from the Interest Payment Date to which interest has been paid next preceding the date of its authentication, unless the date of its authentication: (i) is an Interest Payment Date to which interest on such Series 2018 Bond has been paid, in which event such

Series 2018 Bond shall bear interest from its date of authentication; or (ii) is prior to the first Interest Payment Date for the Series 2018 Bonds, in which event such Series 2018 Bond shall bear interest from its date. Interest on the Series 2018 Bonds shall be due and payable on each May 1 and November 1, commencing May 1, 2019, and shall be computed on the basis of a 360-day year of twelve 30-day months.

Section 204. Denominations. The Series 2018 Bonds shall be issued in Authorized Denominations.

Section 205. Paying Agent. The District appoints the Trustee as Paying Agent for the Series 2018 Bonds.

Section 206. Bond Registrar. The District appoints the Trustee as Bond Registrar for the Series 2018 Bonds.

Section 207. Conditions Precedent to Issuance of Series 2018 Bonds. In addition to complying with the requirements set forth in Section 3.01 of the Master Indenture in connection with the issuance of the Series 2018 Bonds, all the Series 2018 Bonds shall be executed by the District for delivery to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the District or upon its order, but only upon the further receipt by the Trustee of:

- (a) Certified copies of the Assessment Proceedings;
- (b) Executed originals of the Master Indenture and this Second Supplemental Indenture;
- (c) A Bond Counsel opinion also addressed to the Trustee substantially to the effect that; (i) the Indenture has been duly authorized and executed by the District and constitutes a valid and binding obligation of the District; (ii) the Series 2018 Bonds have been duly authorized, executed and delivered by the District and are valid and binding special obligations of the District, payable solely from the sources provided therefor in the Indenture; (iii) the interest on the Series 2018 Bonds is excludable from gross income for federal income tax purposes; and (iv) the Series 2018 Bonds and the interest paid thereon are exempt from all taxes imposed by the State of Florida except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes.
- (d) An opinion of Counsel to the District also addressed to the Trustee substantially to the effect that; (i) the District has been duly established and validly exists as a community development district under the Act, (ii) the District has good right and lawful authority under the Act to undertake the 2018 Project being financed with the proceeds of the Series 2018 Bonds, subject to obtaining such licenses, orders or other authorizations as are, at the date of such opinion, required to be obtained from any agency or regulatory body having lawful jurisdiction in order to undertake the 2018 Project, (iii) all proceedings undertaken by the District with respect to the Series 2018 Assessments have been in accordance with Florida law, (iv) the District has taken all action necessary to levy and impose the Series 2018 Assessments, and (v) the Series 2018 Assessments are legal, valid and binding liens upon the property against which such Series 2018 Assessments are made, coequal with the lien of all state, county, district and municipal taxes, superior in dignity to all other liens, titles and claims, until paid;

(e) A certificate of a Responsible Officer to the effect that, upon the authentication and delivery of the Series 2018 Bonds, the District will not be in default in the performance of the terms and provisions of the Master Indenture or this Second Supplemental Indenture;

(f) An Engineers' Certificate or Engineers' Certificates certifying as to the accuracy of the information set forth in the District Engineer's Report regarding the 2018 Project; and

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

Delivery to the Trustee of the net proceeds from the issuance of the Series 2018 Bonds shall constitute proof of the delivery of the items described above to the satisfaction of the District and Participating Underwriter.

Section 208. Continuing Disclosure. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provisions of the Indenture, failure of the District to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Trustee may and, at the request of any Participating Underwriter (as defined in Rule 15c2-12 of the Securities and Exchange Commission) or the Holders of at least 25% aggregate principal amount of Outstanding Series 2018 Bonds, and receipt of indemnity satisfactory to the Trustee shall, or any such Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the District to comply with its obligations under this Section.

### **ARTICLE III REDEMPTION AND PURCHASE OF SERIES 2018 BONDS**

The Series 2018 Bonds are subject to redemption prior to maturity as provided in the form thereof set forth as **Exhibit B** to this Second Supplemental Indenture. Series 2018 Bonds may be purchased as provided in Article VIII of the Master Indenture. If at the time of mailing the notice of any redemption, the District shall not have deposited with the Trustee or Paying Agent moneys sufficient to redeem all the Series 2018 Bonds called for redemption, such notice shall state that it is subject to the deposit of the redemption moneys with the Trustee or Paying Agent, as the case may be, not later than the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

### **ARTICLE IV DEPOSIT OF SERIES 2018 BOND PROCEEDS AND APPLICATION THEREOF; ESTABLISHMENT OF ACCOUNTS AND OPERATION THEREOF**

Section 401. Establishment of Accounts.

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

(i) a 2018 Acquisition and Construction Account and therein a General Subaccount and a Unit 3 Project Subaccount; and

(ii) a 2018 Costs of Issuance Account;

(b) There are hereby established within the Debt Service Fund held by the Trustee a 2018 Sinking Fund Account, and a 2018 Interest Account;

(c) There is hereby established within the Bond Redemption Fund a 2018 Prepayment Account;

(d) There is hereby established within the Debt Service Reserve Fund held by the Trustee a 2018 Reserve Account, which account shall be held for the benefit of all of the Series 2018 Bonds without distinction as to Series 2018 Bonds and without privilege or priority of one Series 2018 Bond over another;

(e) There is hereby established within the Revenue Fund held by the Trustee a 2018 Revenue Account; and

(f) There is hereby established within the Rebate Fund the 2018 Rebate Account.

Section 402. Use of 2018 Bond Proceeds. Following the Trustee's receipt of the items set forth in Section 3.01 of the Master Indenture and Section 207 hereof, the net proceeds of the sale of the Series 2018 Bonds, \$\_\_\_\_\_ (face amount of Series 2018 Bonds less underwriter's discount of \$\_\_\_\_\_ and less original issue discount of \$\_\_\_\_\_), shall be delivered to the Trustee by the District and be applied as follows:

(a) \$\_\_\_\_\_, representing the initial 2018 Reserve Account Requirement, shall be deposited to the 2018 Reserve Account;

(b) \$\_\_\_\_\_, representing costs of issuance relating to the Series 2018 Bonds, shall be deposited to the credit of the 2018 Costs of Issuance Account;

(c) \$\_\_\_\_\_, shall be deposited to the 2018 Interest Account and applied to pay the first interest coming due on the Series 2018 Bonds; and

(d) \$\_\_\_\_\_ of the proceeds of the Series 2018 Bonds remaining after the deposits above shall be deposited to the credit of the General Subaccount in the 2018 Acquisition and Construction Account and \$\_\_\_\_\_ of the proceeds of the Series 2018 Bonds shall be deposited in the Unit 3 Project Subaccount in the 2018 Acquisition and Construction Account.

Section 403. 2018 Acquisition and Construction Account.

(a) Amounts on deposit in the subaccounts of the 2018 Acquisition and Construction Account shall be applied to pay the Costs of the 2018 Project upon compliance with, except as provided in the immediately following sentence, the requirements of the

requisition provisions set forth in Section 5.01(b) of the Master Indenture which requisition will indicate from which subaccount in the 2018 Acquisition and Construction Account disbursement is to be made. Notwithstanding any provision of the Master Indenture to the contrary, such requisition shall be in the form of Exhibit C hereto. Except as provided in (b) or (c) below, amounts in the Unit 3 Project Subaccount shall be applied solely to pay Costs of the Unit 3 Project. No amounts shall be disbursed from the Unit 3 Subaccount until the Developer has provided the District and the Trustee an opinion of Counsel addressed to the District and the Trustee on which the District and the Trustee may conclusively rely that the Developer or an affiliated entity thereof is the owner of all of the lands in Unit 3. If such opinion is not delivered to the District and the Trustee by \_\_\_\_\_ all amounts on deposit in the Unit 3 Subaccount shall be applied to the extraordinary mandatory redemption of Series 2018 Bonds in the manner described in the Series 2018 Bonds.

(b) Except as otherwise provided in (c) below, any balance remaining in the 2018 Acquisition and Construction Account including all subaccounts therein after the Completion Date of the 2018 Project including the Unit 3 Project (but only after the Unit 3 Project Completion Date with respect to the Unit 3 Project Subaccount) and after retaining the amount, if any, of all remaining unpaid Costs of the 2018 Project set forth in the Engineers' Certificate establishing such Completion Date, shall be transferred to and deposited in the 2018 Prepayment Account in the Bond Redemption Fund and applied to the extraordinary mandatory redemption of the Series 2018 Bonds in the manner prescribed in the Series 2018 Bonds, provided, however, that if on the date of such proposed transfer the Trustee has knowledge that an Event of Default exists such amounts shall remain on deposit in the 2018 Acquisition and Construction Account until such Event of Default no longer exists or is waived or the Trustee is directed by the Majority Owners to otherwise apply such moneys.

(c) Any amounts on deposit in the Unit 3 Project Subaccount on the Unit 3 Project Completion Date as set forth in the Engineers' Certificate establishing such completion date, shall be transferred to and deposited in the General Subaccount in the 2018 Acquisition and Construction Account and on the Completion Date applicable to each subaccount in the 2018 Acquisition and Construction Account that subaccount shall be closed.

Section 404. Costs of Issuance Account. There shall be deposited in the 2018 Costs of Issuance Account \$\_\_\_\_\_ which shall, at the written direction of a Responsible Officer to the Trustee, be used to pay the costs of issuance relating to the Series 2018 Bonds. Any amounts on deposit in the 2018 Costs of Issuance Account ninety (90) days after the date of initial delivery of the Series 2018 Bonds, for which the District has not provided a pending requisition, shall be transferred over and deposited into the General Subaccount of the 2018 Acquisition and Construction Account and used for the purpose permitted therefor, whereupon the 2018 Cost of Issuance Account shall be closed.

Section 405. 2018 Reserve Account. Amounts on deposit in the 2018 Reserve Account except as provided elsewhere in this Second Supplemental Indenture or the Master Indenture shall be used only for the purpose of making payments into the 2018 Interest Account and the 2018 Sinking Fund Account to pay the Series 2018 Bonds, without distinction as to Series 2018 Bonds and without privilege or priority of one Series 2018 Bond over another, when due when

the moneys on deposit in such Accounts and available therefor are insufficient to make due payments on the Series 2018 Bonds.

The Trustee, on or before the forty-fifth day (or if such day is not a Business Day, on the Business Day next preceding such day) next preceding each Redemption Date, after taking into account all payments and transfers made as of such date, shall compute the value of the 2018 Reserve Account and shall promptly notify the District of the amount of any deficiency or surplus as of such date in such account. The District shall immediately pay the amount of any deficiency to the Trustee, for deposit in the 2018 Reserve Account, from the first legally available sources of the District. Any surplus in the 2018 Reserve Account (other than any surplus resulting from investment earnings) shall be deposited into the 2018 Prepayment Account.

All earnings on investments in the 2018 Reserve Account shall be deposited to the 2018 Revenue Account provided no deficiency exists in the 2018 Reserve Account and if a deficiency does exist earnings shall remain on deposit in the 2018 Reserve Account until the deficiency is cured. Such Account shall consist only of cash and 2018 Investment Obligations.

Notwithstanding the foregoing on the earliest date on which there is on deposit in the 2018 Reserve Account, sufficient monies, taking into account other monies available therefor, to pay and redeem all of the Outstanding Series 2018 Bonds, together with accrued interest on such Series 2018 Bonds to the earliest date of redemption, then the Trustee shall transfer to the 2018 Prepayment Account the amount on deposit in the 2018 Reserve Account to pay and redeem all of the Outstanding Series 2018 Bonds on the earliest such date.

The District may provide that the difference between the amounts on deposit in the 2018 Reserve Account and the 2018 Reserve Account Requirement shall be an amount covered by obtaining bond insurance or a surety bond issued by a municipal bond insurer, rated at the time of initial deposit to the 2018 Reserve Account in one of the two highest categories (at least AA by S&P or at least Aa by Moody's without reference to gradations) by one of such nationally recognized rating agencies (the "Reserve Account Credit Instrument"). At any time after the issuance of the Series 2018 Bonds, the District may withdraw any or all of the amount of money on deposit in the 2018 Reserve Account and substitute in its place a Reserve Account Credit Instrument as described above in the face amount of such withdrawal, and such withdrawn moneys shall, after payment of the premium for such Reserve Account Credit Instrument, be transferred prior to the Completion Date to the Subaccount in the 2018 Acquisition and Construction Account as directed by the District in writing on which direction the Trustee may conclusively rely and after the Completion Date shall be deposited to the 2018 Prepayment Account.

Section 406. Application of Prepayment Principal; 2018 Prepayment Account. All Prepayment Principal shall upon receipt by the Trustee be deposited to the 2018 Prepayment Account. At the time the District deposits Prepayment Principal with the Trustee it shall notify the Trustee in writing as to the amount of Prepayment Principal. Amounts on deposit in the 2018 Prepayment Account shall be determined at the times set forth in Section 408(c) hereof and applied to the extraordinary mandatory redemption of the Series 2018 Bonds in the manner prescribed to the form of Series 2018 Bonds as set forth in **Exhibit B** hereto.

Section 407. Tax Covenants and Rebate Account. The District shall comply with the Arbitrage Certificate (including deposits to and payments from the 2018 Rebate Account) included as part of the closing transcript for the Series 2018 Bonds, as amended and supplemented from time to time in accordance with its terms. Amounts in the 2018 Rebate Account shall be directed by the District for investment only in Government Obligations. To the extent any amounts in the 2018 Rebate Account are not needed to comply with the Arbitrage Certificate, such amounts shall be transferred as directed by the District to any other fund or account created hereunder.

Notwithstanding anything to the contrary contained in the Master Indenture, the District covenants with the holders of the Series 2018 Bonds that it shall comply with the requirements of Code necessary to maintain the exclusion of interest on the Series 2018 Bonds from gross income for purposes of federal income taxation, including the payment of any amount required to be rebated to the U.S. Treasury pursuant to the Code, and, in particular, that it shall not make or direct the making of any investment or other use of proceeds of such Series 2018 Bonds (or amounts deemed to be proceeds under the Code) in any manner which would cause the interest on such 2018 Bonds to be or become subject to federal income taxation, nor shall it fail to do any act which is necessary to prevent such interest from becoming subject to federal income taxation. The District further covenants that neither the District nor any other person under its control or direction will make any investment or other use of the proceeds of the Series 2018 Bonds (or amounts deemed to be proceeds under the Code) in any manner which would cause the 2018 Bonds to be "private activity bonds" as that term is defined in Section 141 of the Code (or any successor provision thereto), or "arbitrage bonds" as that term is defined in Section 148 of the Code (or any successor provision thereto) and that it will comply with such sections of the Code throughout the term of the Series 2018 Bonds.

Section 408. Establishment of 2018 Revenue Account in Revenue Fund; Application of Series 2018 Accounts and Investment Earnings.

(a) Except as otherwise provided herein, amounts on deposit in the 2018 Revenue Account shall be applied in accordance with Section 6.03 of the Master Indenture. Except as otherwise provided herein, the Series 2018 Assessments will be collected as provided in Section 9.04 of the Master Indenture. Following an Event of Default, the Majority Owners may direct the District as to the collection method for the Series 2018 Assessments provided such method complies with Florida law. The District covenants to assess, levy, and enforce the payment of the Series 2018 Assessments at times and in amounts as shall be necessary in order to pay, when due, Debt Service Requirements on the Series 2018 Bonds and to pay or cause to be paid the proceeds of such Series 2018 Assessments as received to the Trustee for deposit to the 2018 Revenue Account.

(b) Upon deposit of the revenues from the Series 2018 Assessments including the interest thereon with the Trustee, the District shall provide the Trustee a written accounting setting forth the amounts of such Series 2018 Assessments in the following categories which shall be deposited by the Trustee into the Funds and Accounts established hereunder as follows:

(i) Assessment Interest which shall be deposited into the 2018 Interest Account;

(ii) Assessment Principal, which shall be deposited into the 2018 Sinking Fund Account;

(iii) Prepayment Principal which shall be deposited into the 2018 Prepayment Account;

(iv) Delinquent Assessment Principal shall first be applied to restore the amount of any withdrawal, from the 2018 Reserve Account to pay the principal of Series 2018 Bonds to the extent that less than the 2018 Reserve Account Requirement is on deposit in the 2018 Reserve Account, and, the balance, if any, shall be deposited into the 2018 Sinking Fund Account;

(v) Delinquent Assessment Interest shall first be applied to restore the amount of any withdrawal, from the 2018 Reserve Account to pay the interest of Series 2018 Bonds to the extent that less than the 2018 Reserve Account Requirement is on deposit in a 2018 Reserve Account, and, the balance, if any, shall be deposited into the 2018 Interest Account;

(vi) The balance shall be deposited in the 2018 Revenue Account.

(c) On each March 15, June 15, September 15 and December 15 (or if such day is not a Business Day, on the Business Day next preceding such day), next preceding each Redemption Date, the Trustee shall determine the amount on deposit in the 2018 Prepayment Account and, if the balance therein is greater than zero, shall transfer, but only after transferring sufficient amounts as directed by the District to pay amounts due on the Series 2018 Bonds on the next Interest Payment Date from the 2018 Revenue Account for deposit into such Prepayment Account, an amount sufficient to increase the amount on deposit therein to the next integral multiple of \$5,000, and, shall thereupon give notice and cause the extraordinary mandatory redemption of Series 2018 Bonds on the next succeeding Redemption Date in the maximum aggregate principal amount for which moneys are then on deposit in such Prepayment Account in accordance with the provisions for extraordinary redemption of Series 2018 Bonds as set forth in **Exhibit B** hereto. All interest due in regard to such prepayments shall be paid from the 2018 Interest Account or, if insufficient amounts are on deposit in the 2018 Interest Account to pay such interest then from the 2018 Revenue Account.

(d) Anything herein or in the Master Indenture to the contrary, on each May 1 and November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such May 1 or November 1), the Trustee shall transfer from amounts on deposit in the 2018 Revenue Account to the Funds and Accounts designated below, the following amounts in the following order of priority:

FIRST, to the 2018 Interest Account of the Debt Service Fund, an amount equal to the amount of interest payable on all Series 2018 Bonds then Outstanding on such May 1 or November 1, less any other amount already on deposit in the 2018 Interest Account not previously credited;

SECOND, beginning on November 1, \_\_\_\_, and no later than the Business Day next preceding each November 1 thereafter while Series 2018 Bonds remain Outstanding, to the 2018

Sinking Fund Account, an amount equal to the Amortization Installment on the Series 2018 Bonds due on such November 1 or the principal maturing on such November 1, less any amount on deposit in the 2018 Sinking Fund Account not previously credited;

THIRD, to the 2018 Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the 2018 Reserve Account Requirement with respect to the 2018 Bonds; and

FOURTH, the balance shall be retained in the 2018 Revenue Account.

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

(e) On any date required by the Arbitrage Certificate, the District shall give the Trustee written direction, and the Trustee shall, transfer from the 2018 Revenue Account to the 2018 Rebate Account established for the Series 2018 Bonds in the Rebate Fund, and the Arbitrage Certificate the amount due and owing to the United States, which amount shall be paid, to the United States, when due, in accordance with such Arbitrage Certificate. To the extent insufficient moneys are on deposit in the 2018 Revenue Account to make the transfer provided for in the immediately preceding sentence the District shall deposit with the Trustee from available moneys of the District the amount of any such insufficiency.

(f) Anything herein or in the Master Indenture to the contrary notwithstanding, amounts on deposit in all of the Funds and Accounts and any subaccounts hereto therein held as security for the Series 2018 Bonds shall be invested only in 2018 Investment Obligations, and further, earnings on investments in the 2018 Acquisition and Construction Account and all subaccounts therein and the 2018 Cost of Issuance Account shall be retained as realized, in such Accounts and subaccounts and used for the purpose of such Accounts and subaccounts. Earnings on investments in the 2018 Revenue Account, 2018 Sinking Fund Account, the 2018 Interest Account and the 2018 Prepayment Account in the Bond Redemption Fund shall be deposited, as realized, to the credit of the 2018 Revenue Account and used for the purpose of such Account.

Earnings on investments in the 2018 Reserve Account shall be disposed of as provided in Section 405 hereof.

## **ARTICLE V CONCERNING THE TRUSTEE**

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

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

Section 503. Trustee's Duties. Nothing contained herein shall limit the rights, benefits, privileges, protection and entitlements inuring to the Trustee under the Master Indenture, including, particularly, Article XI thereof, all of which shall apply to the actions of the Trustee under this Second Supplemental Indenture.

Section 504. Brokerage Confirmations. The District acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the District the right to receive individual confirmations of security sanctions 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.

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

## **ARTICLE VI MISCELLANEOUS**

Section 601. Confirmation of Master Indenture. As supplemented by this Second Supplemental Indenture, the Master Indenture is in all respect ratified and confirmed, and this Second 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 Second Supplemental Indenture and to the Series 2018 Bonds issued hereunder. To the extent of any conflicts between the terms and provisions of the Master Indenture and this Second Supplemental Indenture the terms and provisions hereof shall control.

Section 602. Additional Covenant Regarding 2018 Assessments. In addition, and not in limitation of, the covenants contained elsewhere in this Second Supplemental Indenture and in the Master Indenture, the District covenants to comply with the terms of the proceedings heretofore adopted with respect to the 2018 Assessments, including the assessment methodology, prepared by Wrathell, Hunt & Associates, LLC (the "Report"), and to levy the 2018 Assessments and any required true up payments as set forth in the Report, in such manner as will generate funds sufficient to pay the principal of and interest on the Series 2018 Bonds, when due. The District also agrees that it shall not amend the Report in any material manner without the written consent of the Majority Owners.

Section 603. Limitation on Additional Debt. Other than Bonds issued to refund all or a portion of Outstanding Series 2018 Bonds, the issuance of which as determined by the District results in present value debt service savings, the District shall not, while any Series 2018 Bonds are Outstanding, issue or incur any debt payable in whole or in part from the 2018 Trust Estate. In addition, the District covenants not to issue any other Bonds or other debt obligations secured by Special Assessments on assessable lands which are also encumbered by the Series 2018 Assessments for any capital project unless the Series 2018 Assessments have been Substantially Absorbed. The District may issue Bonds or other debt obligations secured by Special Assessments on assessable lands not encumbered by the Series 2018 Assessments without limitation except as limited by the documents pursuant to which such Bonds or debt are issued. The Trustee and the District may rely on a certificate from the District Manager regarding such status of the residential units and the Series 2018 Assessments and in the absence of receipt of such certificate, may assume Substantial Absorption has not occurred.

Section 604. Additional Matters Relating to Delinquent Assessments.

(a) Notwithstanding anything herein or in the Master Indenture to the contrary, the following provisions shall apply with respect to the Series 2018 Assessments and Series 2018 Bonds: If any property shall be offered for sale for the nonpayment of any Series 2018 Assessments, and no person or persons shall purchase such property for an amount equal to the full amount due on the Series 2018 Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), the District, after receiving the written consent of the Trustee, acting at the direction of the Majority Owners of the Series 2018 Outstanding, specifying whether the District is to take title to the property in its corporate name or in the name of a special purpose entity, may purchase the property for an amount less than or equal to the balance due on the Series 2018 Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), from any legally available funds of the District and the District shall receive in its corporate name or in the name of a special-purpose entity title to the property for the benefit of the Owners of the Series 2018 Bonds. The District, either through its own actions, or actions caused to be taken by the District through the Trustee, shall have the power to and shall lease or sell such property, and deposit all of the net proceeds of any such lease or sale into the 2018 Revenue Account. The District, either through its own actions, or actions caused to be taken by the District through the Trustee, agrees that it shall, after being provided assurances satisfactory to it of payment of its fees, costs and expenses for doing so, be required to take the measures provided by law for listing for sale of property acquired by it as trustee for the Owners of the Series 2018 Bonds within sixty (60) days after the receipt of the request therefore signed by the Trustee, acting at the direction of the Majority Owners of the Series 2018 Outstanding . The District may pay costs associated with any actions taken by the District pursuant to this paragraph from any moneys legally available for such purpose held under the Indenture, provided such action does not adversely impact the tax-exempt status of the interest on the Series 2018 Bonds.

(b) Notwithstanding anything to the contrary herein or in the Master Indenture, the District acknowledges and agrees that (i) upon failure of any property owner to pay when due any installment of Series 2018 Assessments that are billed directly by the District, that the entire Series 2018 Assessments levied on the property for which such installment of Series 2018 Assessments is due and unpaid, with interest and penalties thereon, shall

immediately become due and payable as provided by applicable law and, with the written consent of the Trustee, acting at the direction of the Majority Owners of the Series 2018 Bonds Outstanding, the District shall promptly, but in any event within one hundred twenty (120) days of the receipt of such consent, cause to be brought the necessary legal proceedings for the foreclosure of liens of the delinquent Series 2018 Assessments, including interest and penalties and (ii) the foreclosure proceedings shall be prosecuted to a sale and conveyance of the property involved in said proceedings as now provided by law in suits to foreclose mortgages.

Section 605. Additional Matters Relating to Series 2018 Assessments and Assessment Proceedings. The District covenants and agrees that it will take such actions to (i) enforce the remedial provisions of the Indenture upon an Event of Default with respect to the Series 2018 Bonds; (ii) the provisions for the collection of delinquent Special Assessments that are directly billed and collected by the District, as well as delinquent direct billed operation and maintenance assessments, and (iii) the provisions for the foreclosure of liens of delinquent Special Assessments that are directly billed and collected by the District, as well as delinquent direct billed operation and maintenance assessments, all in a manner consistent with the Master Indenture and this Second Supplemental Indenture. All Series 2018 Assessments that are billed and collected directly by the District shall be due and payable by the applicable developer no later than thirty (30) days prior to each Interest Payment Date and shall become delinquent thereafter.

Section 606. Additional Matters Relating to Events of Default.

In addition to the events set forth in Section 10.02 of the Master Indenture, each of the following events shall be an Event of Default with respect to the Series 2018 Bonds, notwithstanding anything to the contrary in the Master Indenture:

Any portion of the Series 2018 Assessments pledged to the Series 2018 Bonds shall have become delinquent and, as the result thereof, the Indenture authorizes the Trustee to withdraw funds in an amount greater than twenty-five percent (25%) of the amount on deposit in 2018 Reserve Account to pay the Debt Service Requirements on the Series 2018 Bonds (regardless of whether the Trustee does or does not actually withdraw such funds from the 2018 Reserve Account to pay the Debt Service Requirements on the Series 2018 Bonds) (the foregoing being referred to as a "2018 Reserve Account Event") unless within sixty (60) days from the 2018 Reserve Account Event the District has either paid to the Trustee (i) the amounts, if any, withdrawn from the 2018 Reserve Account or (ii) the portion of the Delinquent Assessment Principal and Delinquent Assessment Interest giving rise to the 2018 Reserve Account Event are no longer delinquent; and

More than fifteen percent (15%) of the operation and maintenance Assessments that are directly billed by the District and levied by the District on tax parcels subject to the Series 2018 Assessments are not paid by the date such are due and payable and such default continues for sixty (60) days after the date when due. The District shall give written notice to the Trustee of the occurrence of such event not later than 10 days after the end of the sixty day period referred to in the preceding sentence. The Trustee shall not be deemed to have knowledge of the occurrence of such an Event of Default absent notice thereof from the District.

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

(a) The provisions of this Section 607 shall be applicable both before and after the commencement, whether voluntary or involuntary, of any case, proceeding or other action by or against any owner of any tax parcel subject to at least three percent (3%) of the Series 2018 Assessments pledged to the Series 2018 Bonds Outstanding (an "Insolvent Taxpayer") under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, assignment for the benefit of creditors, or relief of debtors (a "Proceeding").

(b) The District acknowledges and agrees that, although the Series 2018 Bonds were issued by the District, the Owners of the Series 2018 Bonds are categorically the party with the ultimate financial stake in the transaction and, consequently, the party with a vested and pecuniary interest in a Proceeding. In the event of any Proceeding involving an Insolvent Taxpayer:

(i) the District hereby agrees that it shall seek to secure the written consent of the Trustee, acting at the direction of the Majority Owners of the Series 2018 Bonds Outstanding, prior to making any election, giving any consent, commencing any action or filing any motion, claim, obligation, notice or application or in taking any other action or position in any Proceedings or in any action related to a Proceeding that affects, either directly or indirectly, the Series 2018 Assessments relating to the Series 2018 Bonds Outstanding, the Outstanding Series 2018 Bonds or any rights of the Trustee under the Indenture (provided, however, Trustee shall be deemed to have consented, on behalf of the Majority Owners of the Series 2018 Bonds Outstanding, to the proposed action if the District does not receive a written response from the Trustee within thirty (30) days following receipt by the Trustee of the written request for consent);

(ii) the District hereby agrees that it shall not make any election, give any consent, commence any action or file any motion, claim, obligation, notice or application or take any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the Series 2018 Assessments relating to the Series 2018 Bonds Outstanding, the Series 2018 Bonds Outstanding or any rights of the Trustee under the Indenture that are inconsistent with any written consent received (or deemed received) from the Trustee;

(iii) the District hereby agrees that it shall seek the written consent of the Trustee prior to filing and voting in any such Proceeding (provided, however, Trustee shall be deemed to have consented, on behalf of the Majority Owners of the Series 2018 Bonds Outstanding, to the proposed action if the District does not receive a written response from the Trustee within thirty (30) days following receipt by the Trustee of the written request for consent);

(iv) the Trustee shall have the right, by interpleader or otherwise, to seek or oppose any relief in any such Proceeding that the District, as claimant with respect to the Series 2018 Assessments relating to the Series 2018 Bonds Outstanding would have the right to pursue, and, if the Trustee chooses to exercise any such rights, the

District shall not oppose the Trustee in seeking to exercise any and all rights and taking any and all actions available to the District in connection with any Proceeding of any Insolvent Taxpayer, including without limitation, the right to file and/or prosecute and/or defend any claims and proofs of claims, to vote to accept or reject a plan, to seek dismissal of the Proceeding, to seek stay relief to commence or continue foreclosure or pursue any other available remedies as to the Series 2018 Assessments relating the Series 2018 Bonds Outstanding, to seek substantive consolidation, to seek to shorten the Insolvent Taxpayer's exclusivity periods or to oppose any motion to extend such exclusivity periods, to oppose any motion for use of cash collateral or for authority to obtain financing, to oppose any sale procedures motion or any sale motion, to propose a competing plan of reorganization or liquidation, or to make any election under Section 1111(b) of the Bankruptcy Code; and

(v) the District shall not challenge the validity or amount of any claim submitted in good faith in such Proceeding by the Trustee or any valuations of the lands owned by any Insolvent Taxpayer submitted in good faith by the Trustee in such Proceedings or take any other action in such Proceedings, which is adverse to Trustee's enforcement or the District's claim and rights with respect to the Series 2018 Assessments relating to the Series 2018 Bonds Outstanding or receipt of adequate protection (as that term is defined in the Bankruptcy Code). Without limiting the generality of the foregoing, the District agrees that the Trustee shall have the right (i) to file a proof of claim with respect to the Series 2018 Assessments pledged to the Series 2018 Bonds Outstanding, (ii) to deliver to the District a copy thereof, together with evidence of the filing with the appropriate court or other authority, and (iii) to defend any objection filed to said proof of claim.

(c) Notwithstanding the provisions of the immediately preceding paragraphs, nothing in this Section shall preclude the District from becoming a party to a Proceeding in order to enforce a claim for operation and maintenance assessments, and the District shall be free to pursue such claim in such manner as it shall deem appropriate in its sole and absolute discretion. Any actions taken by the District in pursuance of its claim for operation and maintenance assessments in any Proceeding shall not be considered an action adverse or inconsistent with the Trustee's rights or consents with respect to the Series 2018 Assessments relating to the Series 2018 Bonds Outstanding whether such claim is pursued by the District or the Trustee; provided, however, that the District shall not oppose any relief sought by the Trustee under the authority granted to the Trustee in clause (b)(iv) or (b)(v) above.

Section 608. Assignment of Collateral Assignment. The District hereby assigns its rights under the Collateral Assignment to the Trustee for the benefit of the Owners, from time to time, of the Series 2018 Bonds. Such assignment shall not be considered an assumption by the Trustee of any obligations thereunder.

Section 609. Third Party Beneficiaries. This Second Supplemental Indenture shall inure solely to the benefit of the District, the Trustee and the Holders from time to time of the Series 2018 Bonds, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, Toscana Isles 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 signatory.

**TOSCANA ISLES COMMUNITY  
DEVELOPMENT DISTRICT**

[SEAL]

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

ATTEST:

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

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

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

**EXHIBIT "A"**

Description of the 2018 Project

**PUBLIC IMPROVEMENTS CONSTITUTING ASSESSABLE  
IMPROVEMENTS WITHIN THE MEANING OF  
CHAPTER 190, FLORIDA STATUTES,  
INCLUDING BUT NOT LIMITED TO:**

**ALL AS PROVIDED IN THE REPORT OF AM ENGINEERING INC., DATED  
\_\_\_\_\_, 2018 AS AMENDED AND SUPPLEMENTED FROM TIME TO TIME.**

**EXHIBIT "B"**

Form of the Series 2018 Bonds

See Attached

No. 2018R-\_\_

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

United States of America  
State of Florida  
TOSCANA ISLES COMMUNITY DEVELOPMENT DISTRICT  
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2018

<u>Interest</u> <u>Rate</u>	<u>Maturity</u> <u>Date</u>	<u>Dated</u> <u>Date</u>	<u>CUSIP</u>
____%	November 1, ____	December ____, 2018	_____

Registered Owner: CEDE & CO.

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

THE TOSCANA ISLES COMMUNITY DEVELOPMENT DISTRICT HAS ESTABLISHED A BOOK ENTRY SYSTEM OF REGISTRATION FOR THIS SERIES 2018 BOND. EXCEPT AS SPECIFICALLY PROVIDED OTHERWISE IN THE INDENTURE, CEDE & CO., AS NOMINEE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), WILL BE THE REGISTERED OWNER AND WILL HOLD THIS SERIES 2018 BOND ON BEHALF OF EACH BENEFICIAL OWNER HEREOF. BY ACCEPTANCE OF A CONFIRMATION OF PURCHASE, DELIVERY OR TRANSFER, EACH BENEFICIAL OWNER OF THIS SERIES 2018 BOND SHALL BE DEEMED TO HAVE AGREED TO SUCH ARRANGEMENT. CEDE & CO., AS REGISTERED OWNER OF THIS SERIES 2018 BOND, MAY BE TREATED AS THE OWNER OF IT FOR ALL PURPOSES.

UNLESS THIS SERIES 2018 BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF DTC TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, WITH RESPECT TO ANY SERIES 2018 BOND REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC, ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TOSCANA ISLES COMMUNITY DEVELOPMENT DISTRICT, a community development district duly created and existing pursuant to Chapter 190, Florida Statutes (the "District"), for value received, hereby promises to pay (but only out of the sources hereinafter mentioned) to the Registered Owner set forth above, or registered assigns, on the maturity date shown hereon, unless this Series 2018 Bond shall have been called for redemption in whole or in part and payment of the Redemption Price (as defined in the Indenture mentioned hereinafter) shall have been duly made or provided for, the principal amount shown above and to pay (but only out of the sources hereinafter mentioned) interest on the outstanding principal amount

hereof from the most recent Interest Payment Date to which interest has been paid or provided for, or if no interest has been paid, from the Dated Date shown above, on May 1 and November 1 of each year (each, an "Interest Payment Date"), commencing on May 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; provided, however, that on or after the occurrence and continuance of an Event of Default under clause (a) and/or (b) of Section 10.02 of the Master Indenture (hereinafter defined), the payment of interest and principal or Redemption Price shall be made by the Paying Agent (hereinafter defined) to such person, who, on a special record date which is fixed by the Trustee, which shall be not more than fifteen (15) and not less than ten (10) days prior to the date of such proposed payment, appears on the registration books of the Bond Registrar as the Registered Owner of this Bond. Any payment of principal, or Redemption Price or interest shall be made only in accordance with standard DTC practices. Interest on this Bond will be computed on the basis of a 360-day year of twelve 30 day months.

This Bond is one of a duly authorized issue of bonds of the District designated "Special Assessment Revenue Bonds, Series 2018" (the "Series 2018 Bonds") issuable under and governed by the terms of a Master Trust Indenture, dated as of October 1, 2014 (the "Master Indenture"), between the District and U.S. Bank National Association as trustee (the "Trustee"), as supplemented by a Second Supplemental Trust Indenture, dated as of December 1, 2018 (the "Supplemental Indenture"), between the District and the Trustee (the Master Indenture as supplemented by the Supplemental Indenture is hereafter referred to as the "Indenture"). The Series 2018 Bonds are issued in an aggregate principal amount of \$\_\_\_\_\_ for the purposes of (i) financing a portion of the Cost of acquiring, constructing and equipping certain assessable improvements (the "2018 Project"); (ii) paying certain costs associated with the issuance of the Series 2018 Bonds; (iii) paying a portion of the interest to accrue on the Series 2018 Bonds; and (iv) making a deposit into the 2018 Reserve Account for the benefit of all of the Series 2018 Bonds.

NEITHER THIS SERIES 2018 BOND NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF FLORIDA. THIS SERIES 2018 BOND AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN UPON ANY PROPERTY OF THE DISTRICT OTHER THAN AS PROVIDED IN THE INDENTURE. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE, OR THE SERIES 2018 BONDS. RATHER, DEBT

SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE, OR THE SERIES 2018 BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE 2018 PLEDGED REVENUES AND THE 2018 PLEDGED FUNDS PLEDGED TO THE SERIES 2018 BONDS, ALL AS PROVIDED HEREIN AND IN THE INDENTURE.

All acts, conditions and things required by the Constitution and laws of the State of Florida and the resolutions of the District to happen, exist and be performed precedent to and in the issuance of this Series 2018 Bond and the execution of the Indenture, have happened, exist and have been performed as so required. This Series 2018 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, Toscana Isles Community Development District has caused this Series 2018 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 its Secretary.

**TOSCANA ISLES COMMUNITY  
DEVELOPMENT DISTRICT**

(SEAL)

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

ATTEST:

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

**CERTIFICATE OF AUTHENTICATION**

This Series 2018 Bond is one of the Bonds of the Series designated herein, described in the within-mentioned Indenture.

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

By: \_\_\_\_\_  
Authorized Signatory

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

This Series 2018 Bond is issued under and pursuant to the Constitution and laws of the State of Florida, particularly Chapter 190, Florida Statutes, as amended, and other applicable provisions of law and pursuant to the Indenture, executed counterparts of which Indenture are on file at the designated office of the Trustee. Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of Series 2018 Bonds, the collection, receipt and disposition of revenues and the funds charged with and pledged to the payment of the principal, and Redemption Price of, and the interest on, the Series 2018 Bonds, the nature and extent of the security thereby created, the covenants of the District with respect to the levy and collection of the 2018 Pledged Revenues (as defined in the Indenture), the terms and conditions under which the Series 2018 Bonds are or may be issued, the rights, duties, obligations and immunities of the District and the Trustee under the Indenture and the rights of the Registered Owners and Beneficial Owners of the Series 2018 Bonds, and, by the acceptance of this Series 2018 Bond, the Registered Owner and Beneficial Owners hereof assents to all of the provisions of the Indenture. Terms not otherwise defined herein shall have the meaning ascribed to them in the Indenture. The Series 2018 Bonds are equally and ratably secured by the 2018 Trust Estate, without preference or priority of one Series 2018 Bond over another.

The Series 2018 Bonds are issuable only as registered bonds without coupons in current interest form in denominations of \$5,000 or any integral multiple thereof (an "Authorized Denomination"). This Series 2018 Bond is transferable by the Registered Owner hereof or his duly authorized attorney at the designated corporate trust office of the Trustee as Bond Registrar (the "Bond Registrar"), upon surrender of this Series 2018 Bond, accompanied by a duly executed instrument of transfer in form and with guaranty of signature reasonably satisfactory to the Bond Registrar, subject to such reasonable regulations as the District or the Bond Registrar may prescribe, and upon payment of any taxes or other governmental charges incident to such transfer. Upon any such transfer a new Series 2018 Bond or Series 2018 Bonds, in the same aggregate principal amount and of the same maturity as the Series 2018 Bond or Series 2018 Bonds transferred, will be issued to the transferee. At the designated corporate trust office of the Bond Registrar in the manner and subject to the limitations and conditions provided in the Indenture and without cost, except for any tax or other governmental charge, Series 2018 Bonds may be exchanged for an equal aggregate principal amount of Series 2018 Bonds of the same maturity and series, in Authorized Denominations and bearing interest at the same rate or rates.

The District has established a book-entry system of registration for the Series 2018 Bonds. Except as specifically provided otherwise in the Indenture, an agent will hold this Series 2018 Bond on behalf of the Beneficial Owner hereof. By acceptance of a confirmation of purchase, delivery or transfer, the Beneficial Owner of this Series 2018 Bond shall be deemed to have agreed to such arrangement.

#### Optional Redemption

The Series 2018 Bonds are subject to redemption at the option of the District prior to maturity, in whole or in part, on any date on or after November 1, \_\_\_\_\_ at the Redemption Price of 100% of the principal amount to be redeemed plus accrued interest to the redemption date.

Mandatory Redemption

The Series 2018 Bonds maturing November 1, \_\_\_\_ are subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2018 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, on November 1 of the years and in the principal amounts set forth below.

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

\*

\*Maturity

The Series 2018 Bonds maturing November 1, \_\_\_\_ are subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2018 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, on November 1 of the years and in the principal amounts set forth below.

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

\*

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

\*Maturity

The Series 2018 Bonds maturing November 1, \_\_\_ are subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2018 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, on November 1 of the years and in the principal amounts set forth below.

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

\*Maturity

Any Series 2018 Bonds that are purchased by the District with amounts held to pay an Amortization Installment will be cancelled and the principal amount so purchased will be applied as a credit against the applicable Amortization Installment of Series 2018 Bonds.

Upon redemption or purchase of a portion of the Series 2018 Bonds (other than redemption in accordance with scheduled Amortization Installments), the District shall cause to be recalculated and delivered to the Trustee revised Amortization Installments recalculated so that debt service on the Series 2018 Bonds is amortized in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Series 2018 Bonds.

#### Extraordinary Mandatory Redemption

The Series 2018 Bonds are subject to extraordinary mandatory redemption prior to scheduled maturity, in whole on any date or in part on any Redemption Date, and if in part on a pro rata basis calculated by the District determined by the ratio of the Outstanding principal amount of each maturity of the Series 2018 Bonds treating for such purposes each Amortization Installment as a maturity divided by the aggregate principal amount of Outstanding Series 2018 Bonds and as otherwise provided in the Indenture, at the Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the Redemption Date, if and to the extent that any one or more of the following shall have occurred:

(i) On or after the Completion Date of the 2018 Project including the Unit 3 Project by application of moneys transferred from the 2018 Acquisition and Construction Account to the 2018 Prepayment Account in accordance with the terms of the Indenture; or

(ii) On the first Redemption Date subsequent to \_\_\_\_\_ by application of moneys transferred from the Unit 3 Subaccount of the 2018 Acquisition and Construction Account to the 2018 Prepayment Subaccount in accordance with the terms of the Indenture; or

(iii) Amounts are deposited into the 2018 Prepayment Account from the prepayment of Series 2018 Assessments and from amounts deposited into the 2018 Prepayment Subaccount from other sources; or

(iv) When the amount on deposit in the 2018 Reserve Account, together with other moneys available therefor are sufficient to pay and redeem all the Series 2018 Bonds then Outstanding as provided in the Supplemental Indenture.

Except as otherwise provided in the Indenture, if less than all of the Series 2018 Bonds of a maturity subject to redemption shall be called for redemption, the particular such Series 2018 Bonds or portions of such Series 2018 Bonds within such maturity to be redeemed shall be selected by lot by the Registrar as provided in the Indenture.

Notice of each redemption of Series 2018 Bonds is required to be mailed by the Bond Registrar, postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the redemption date to each Registered Owner of Series 2018 Bonds to be redeemed at the address of such Registered Owner recorded on the bond register maintained by the Bond Registrar. On the date designated for redemption, notice having been given and money for the payment of the Redemption Price being held by the Paying Agent, all as provided in the Indenture, the Series 2018 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 2018 Bonds or such portions thereof on such date, interest on such Series 2018 Bonds or such portions thereof so

called for redemption shall cease to accrue, such Series 2018 Bonds or such portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Indenture and the Owners thereof shall have no rights in respect of such Series 2018 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 Series 2018 Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

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

Any moneys held by the Trustee or Paying Agent in trust for the payment and discharge of any Series 2018 Bond which remain unclaimed for three (3) years after the date when such Series 2018 Bond has become due and payable, either at its stated maturity date or by call for earlier redemption, if such moneys were held by the Trustee or any Paying Agent at such date, or for three (3) years after the date of deposit of such moneys if deposited with the Trustee or Paying Agent after the date when such Series 2018 Bond became due and payable, shall be paid to the District, and thereupon and thereafter no claimant shall have any rights against the Trustee or Paying Agent to or in respect of such moneys.

If the District deposits or causes to be deposited with the Trustee funds or Defeasance Securities (as defined in the Indenture) sufficient to pay the principal or Redemption Price of any Series 2018 Bonds becoming due at maturity or by call for redemption in the manner set forth in the Indenture, together with the interest accrued to the due date, the lien of such Series 2018 Bonds as to the 2018 Trust Estate shall be discharged, except for the rights of the Owners thereof with respect to the funds so deposited as provided in the Indenture.

This Series 2018 Bond shall have all the qualities and incidents, including negotiability, of investment securities within the meaning and for all the purposes of the Uniform Commercial Code of the State of Florida.

This Series 2018 Bond is issued with the intent that the laws of the State of Florida shall govern its construction.

**CERTIFICATE OF VALIDATION**

This Series 2018 Bond is one of a Series of Bonds which were validated by judgment of the Circuit Court in and for Sarasota County, Florida, rendered on May 21, 2014.

**TOSCANA ISLES COMMUNITY  
DEVELOPMENT DISTRICT**

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

[FORM OF ABBREVIATIONS FOR SERIES 2018 BONDS]

The following abbreviations, when used in the inscription on the face of the within Series 2018 Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM as tenants in common

TEN ENT as tenant by the entireties

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

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

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

For value received, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within Series 2018 Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_, attorney to transfer the said Series 2018 Bond on the books of the District, with full power of substitution in the premises.

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

Social Security Number of Employer

Identification Number of Transferee:

Signature guaranteed:

\_\_\_\_\_  
NOTICE: The assignor's signature to this Assignment must correspond with the name as it appears on the face of the within Series 2018 Bond in every particular without alteration or any change whatever.

By: \_\_\_\_\_  
Authorized Signatory

**EXHIBIT C**

**2018 ACQUISITION AND CONSTRUCTION  
REQUISITION**

The undersigned, an Authorized Officer of Toscana Isles Community Development District (the "District") hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture from the District to U.S. Bank National Association, as trustee (the "Trustee"), dated as of October 1, 2014 (the "Master Indenture"), as supplemented by the Second Supplemental Indenture from the District to the Trustee, dated as of December 1, 2018 (the Master Indenture as amended and supplemented is hereinafter referred to as the "Indenture") (all capitalized terms used herein shall have the meaning ascribed to such term in the Indenture):

(A) Requisition Number:

(B) Name of Payee:

(C) Amount Payable:

(D) Purpose for which paid or incurred (refer also to specific contract if amount is due and payable pursuant to a contract involving progress payments, or, state Costs of Issuance, if applicable):

(E) Subaccount in the 2018 Acquisition and Construction Account from which disbursement to be made:

The undersigned hereby certifies that obligations in the stated amount set forth above have been incurred by the District, that each disbursement set forth above is a proper charge against the Subaccount in the 2018 Acquisition and Construction Account referenced in (E) above, that each disbursement set forth above was incurred in connection with the acquisition and/or construction of the 2018 Project and each represents a Cost of the 2018 Project, and has not previously been paid.

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

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

**TOSCANA ISLES COMMUNITY  
DEVELOPMENT DISTRICT**

By: \_\_\_\_\_  
Authorized Officer

## **CONSULTING ENGINEER'S APPROVAL**

The undersigned Consulting Engineer hereby certifies that this disbursement is for a Cost of the 2018 Project and is consistent with: (i) the applicable acquisition or construction contract; (ii) the plans and specifications for the portion of the 2018 Project with respect to which such disbursement is being made; and, (ii) the report of the Consulting Engineer for the 2018 Project, as such report shall have been amended or modified on the date hereof. The undersigned further certifies that (a) the 2018 Project improvements to be acquired have been completed in accordance with the plans and specifications therefore; (b) the 2018 Project improvements are constructed in a sound workmanlike manner and in accordance with industry standards; (c) the purchase price to be paid by the District for the 2018 Project improvements is no more than the lesser of (i) the fair market value of such improvements and (ii) the actual cost of construction of such improvements; (d) the plans and specifications for the 2018 Project improvements have been approved by all regulatory bodies required to approve them or such approval can reasonably be expected to be obtained; (e) all currently required approvals and permits for the acquisition, construction, reconstruction, installation and/or equipping of the portion of the 2018 Project for which disbursement is made have been obtained from all applicable regulatory bodies; (f) for that portion of the 2018 Project being acquired, the seller has paid all contractors, subcontractors, and materialmen that have provided services or materials in connection with the portion of the 2018 Project for which disbursement is made hereby; and (g) upon payment of the disbursement hereby, sufficient amounts will remain on deposit in the 2018 Acquisition and Construction Account to complete the 2018 Project including the Unit 3 Project. If the requisition is for a disbursement from the Unit 3 Project Subaccount, the disbursement is for a Cost of the Unit 3 Project.

[CONSULTING ENGINEER]

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

\$ \_\_\_\_\_  
**TOSCANA ISLES COMMUNITY DEVELOPMENT DISTRICT**  
**(CITY OF VENICE, FLORIDA)**  
**SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018**

**BOND PURCHASE CONTRACT**

\_\_\_\_\_, 2018

Board of Supervisors  
Toscana Isles Community Development District  
City of Venice, Florida

Dear Ladies and Gentlemen:

FMSbonds, Inc. (the "Underwriter") offers to enter into this Bond Purchase Contract (the "Purchase Contract") with the Toscana Isles Community Development District (the "District"). The District is located entirely within City of Venice, Florida (the "City"). This offer of the Underwriter shall, unless accepted by the District, acting through its Board of Supervisors (the "Board"), expire at 10:00 [P.M.] prevailing time within the jurisdiction of the District on the date hereof, unless previously withdrawn or extended in writing by the Underwriter. This Purchase Contract shall be binding upon the District and the Underwriter upon execution and delivery. Any capitalized word not defined herein shall have the meaning ascribed thereto in the Preliminary Limited Offering Memorandum (hereinafter defined). In conformance with Section 218.385, Florida Statutes, as amended, the Underwriter hereby delivers to the District the Disclosure and Truth-In-Bonding Statements attached hereto as Exhibit A.

**1. Purchase and Sale.** Upon the terms and conditions and upon the basis of the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the District and the District hereby agrees to sell and deliver to the Underwriter, all (but not less than all) of its \$\_\_\_\_\_ aggregate principal amount of Toscana Isles Community Development Special Assessment Revenue Bonds, Series 2018 (the "Bonds"). The Bonds shall be dated their date of delivery and shall mature on the dates, shall bear interest at the rates, and shall be subject to redemption prior to maturity, all as provided in Exhibit B attached hereto. The purchase price for the Bonds shall be \$\_\_\_\_\_ (representing the \$\_\_\_\_\_ aggregate principal amount of the Bonds, [plus/less net original issue premium/discount of \$\_\_\_\_\_ and] an underwriter's discount of \$\_\_\_\_\_ ) (such payment and delivery and the other actions contemplated hereby to take place at the time of such payment and delivery being hereinafter referred to as the "Closing").

**2. The Bonds.** The Bonds are to be issued by the District, a local unit of special-purpose government of the State of Florida (the "State") created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended, any successor statute thereto, the Florida Constitution, and other applicable provisions of law (the "Act"), by Ordinance No. 2013-38 enacted by the City effective on December 10, 2013 (the

"Ordinance"). The Bonds are being issued pursuant to the Act and secured pursuant to the provisions of a Master Trust Indenture dated as of October 1, 2014 (the "Master Indenture"), as supplemented by a Second Supplemental Trust Indenture dated as of December 1, 2018 (the "Second Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), each by and between the District and U.S. Bank National Association, as trustee (the "Trustee"), and Resolution Nos. 2014-12 and 2018-\_\_\_\_, adopted by the Board on February 18, 2014 and October 17, 2018, respectively (collectively, the "Bond Resolution"). The Series 2018 Assessments, the revenues of which comprise the 2018 Pledged Revenues for the Bonds, have been levied by the District on those lands within the District specially benefited by the 2018 Project pursuant to the Assessment Proceedings (as such term is defined in the Second Supplemental Indenture).

**3. Limited Offering; Establishment of Issue Price.** It shall be a condition to the District's obligation to sell and to deliver the Bonds to the Underwriter, and to the Underwriter's obligation to purchase, accept delivery of and pay for the Bonds, that the entire principal amount of the Bonds be issued, sold and delivered by the District and purchased, accepted and paid for by the Underwriter at the Closing and that the District and the Underwriter receive the opinions, documents and certificates described in Section 8(c) hereof.

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

(b) Except as otherwise set forth in Exhibit B attached hereto, the District will treat the first price at which 10% of each maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Contract, the Underwriter shall report to the District the price or prices at which it has sold to the public each maturity of the Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the District the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date (as defined below) has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

(c) The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Purchase Contract at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Exhibit B attached hereto, except as otherwise set forth therein. Exhibit B also sets forth, as of the date of this Purchase Contract, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the District and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the District to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of

that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(1) the close of the fifth (5<sup>th</sup>) business day after the sale date; or

(2) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the District when it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5<sup>th</sup>) business day after the sale date.

(d) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this Section. Further, for purposes of this Section:

(1) "public" means any person other than an underwriter or a related party, and

(2) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(3) "sale date" means the date of execution of this Purchase Contract is executed by all parties.

**4. Use of Documents.** Prior to the date hereof, the District has caused to be prepared and provided to the Underwriter its Preliminary Limited Offering Memorandum dated \_\_\_\_\_, 2018 (such Preliminary Limited Offering Memorandum, including the cover pages and all appendices thereto and any amendments and supplements thereto that may be authorized by the District for use with respect to the Bonds, being herein collectively called the "Preliminary Limited Offering Memorandum"), relating to the Bonds, which the District has deemed final as of its date, except for certain permitted omissions (the "Permitted Omissions"), as contemplated by Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12" or the "Rule") in connection with the limited offering of the Bonds. The Underwriter has

reviewed the Preliminary Limited Offering Memorandum prior to the execution of this Purchase Contract. The District has, prior to the date hereof, authorized the Underwriter to circulate and use the Preliminary Limited Offering Memorandum in connection with the limited offering of the Bonds. The District, at its expense, shall deliver or cause to be delivered to the Underwriter, within seven (7) business days after the date hereof but not later than three (3) days prior to the Closing Date (as defined below) and in sufficient time to allow the Underwriter to comply with all of the requirements of the Rule and all applicable securities laws and the rules of the Municipal Securities Rulemaking Board (the "MSRB"), a final Limited Offering Memorandum dated \_\_\_\_\_, 2018 (such Limited Offering Memorandum, including the cover pages and all appendices thereto and any amendments and supplements thereto that may be authorized by the District for use with respect to the Bonds, being herein collectively called the "Limited Offering Memorandum" and, together with the Preliminary Limited Offering Memorandum, the "Limited Offering Memoranda"). The District hereby ratifies and approves the circulation and use of the Limited Offering Memoranda by the Underwriter.

**5. Definitions.** For purposes hereof, (a) this Purchase Contract, the Bonds, the Indenture, the Continuing Disclosure Agreement to be dated as of the Closing Date, among the District, [LALP Development, LLC, a Florida limited liability company (the "Landowner")], and Wrathell, Hunt and Associates, LLC, as dissemination agent (the "Dissemination Agent"), in substantially the form attached to the Preliminary Limited Offering Memorandum as Appendix F thereto (the "Disclosure Agreement"), and the DTC Blanket Issuer Letter of Representations entered into by the District, are referred to herein collectively as the "Financing Documents," and (b) [the Funding and Completion Agreement by and between the District and the Landowner[s] dated as of the Closing Date (the "Completion Agreement"), the Agreement to Convey or Dedicate by and between the District and the Landowner[s] dated as of the Closing Date (the "Conveyance Agreement"), the Collateral Assignment and Assumption of Development Rights by and between the District and the Landowner[s] dated as of the Closing Date and in recordable form (the "Collateral Assignment") relating to the 2018 Project, and the True-Up Agreement (Series 2018 Assessments) between the District and the Landowner[s] dated as of the Closing Date in recordable form (the "True-Up Agreement")] are collectively referred to herein as the "Ancillary Agreements."

**6. Representations, Warranties and Agreements.** The District hereby represents, warrants and agrees as follows:

(a) The Board is the governing body of the District, and the District is and will be on the Closing Date duly organized and validly existing as a unit of special-purpose government created pursuant to the Constitution and laws of the State, including without limitation the Act;

(b) The District has full legal right, power and authority to: (i) adopt the Bond Resolution and the Assessment Proceedings; (ii) enter into the Financing Documents and Ancillary Agreements to which it is a party; (iii) sell, issue and deliver the Bonds to the Underwriter as provided herein; (iv) apply the proceeds of the sale of the Bonds for the purposes described in the Limited Offering Memoranda; (v) acknowledge and authorize the use of the Preliminary Limited Offering Memorandum and the use and execution of the Limited Offering Memorandum; and (vi) carry out and consummate the transactions

contemplated by the Bond Resolution, the Assessment Proceedings, the Financing Documents, the Ancillary Agreements, and the Limited Offering Memoranda, including without limitation entering into the Property Appraiser and Tax Collector Agreement to provide for the collection of the Series 2018 Assessments using the Uniform Method of collection in accordance with the Indenture. The District has complied, and on the Closing Date will be in compliance in all material respects, with the terms of the Act and with the obligations on its part contained in the Bond Resolution, the Assessment Proceedings, the Financing Documents, the Ancillary Agreements to which it is a party and the Bonds;

(c) At meetings of the Board that were duly called and noticed and at which a quorum was present and acting throughout, the Board duly adopted the Bond Resolution and the Assessment Proceedings, and the same are in full force and effect and have not been supplemented, amended, modified or repealed, except as set forth therein. By all necessary official Board action, the District has duly authorized and approved the use and delivery of the Preliminary Limited Offering Memorandum and the execution and delivery of the Financing Documents, the Ancillary Agreements, the Bonds and the Limited Offering Memorandum, has duly authorized and approved the performance by the District of the obligations on its part contained in the Financing Documents, the Ancillary Agreements and the Bonds and the consummation by it of all other transactions contemplated by this Purchase Contract and the Preliminary Limited Offering Memorandum in connection with the issuance of the Bonds. Upon execution and delivery by the District and the Trustee (and assuming the due authorization, execution and delivery of the Indenture by the Trustee), the Indenture will constitute a legal, valid and binding obligation of the District, enforceable in accordance with its terms, subject only to applicable bankruptcy, insolvency, and similar laws affecting creditors' rights and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law). Upon execution by the District and the other parties thereto (and assuming the due authorization, execution and delivery of such agreements by the other parties thereto) the Financing Documents and the Ancillary Agreements will constitute the legal, valid and binding obligations of the District, enforceable in accordance with their respective terms, subject only to applicable bankruptcy, insolvency and similar laws affecting creditors' rights and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law);

(d) The District is not in material breach of or material default under any applicable provision of the Act or any applicable constitutional provision or statute or, to the best of its knowledge, administrative regulation of the State or the United States of America or any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement, or other material instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, and to the best of its knowledge, no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a material default or material event of default under any such instrument; and the execution and delivery of the Bonds, the Financing Documents, the Ancillary Agreements to which it is a party and the Limited Offering Memorandum, the delivery of the Preliminary Limited Offering Memorandum,

and the adoption of the Bond Resolution and the Assessment Proceedings, and compliance with the provisions on the District's part contained therein, will not conflict with or constitute a material breach of or material default under any applicable constitutional provision or law or, to the best of its knowledge, any administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement, or other instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, nor will any such execution, delivery, adoption, use or compliance result in the creation or imposition of any lien, charge, or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the District or under the terms of any such law, regulation or instrument, except as provided by the Assessment Proceedings, the Bonds and the Indenture. To the best of its knowledge, no event has occurred which, with the lapse of time or the giving of notice, or both, would constitute an event of default (as therein defined) under the Bonds, the Financing Documents or the Ancillary Agreements to which the District is a party;

(e) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matters which (i) are required for the due authorization by the District, or (ii) would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the District, of its obligations to issue the Bonds, or under the Bonds, the Bond Resolution, the Assessment Proceedings, Financing Documents or the Ancillary Agreements have been duly obtained, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds;

(f) The descriptions of the Bonds, the Financing Documents, the Ancillary Agreements to which the District is a party and the 2018 Project to the extent referred to in the Limited Offering Memoranda, conform in all material respects to the Bonds, the Financing Documents, such Ancillary Agreements and the 2018 Project, respectively;

(g) The Bonds, when issued, executed and delivered in accordance with the Indenture and when delivered to and paid for by the Underwriter at the Closing in accordance with the provisions of this Purchase Contract, will be validly issued and outstanding obligations of the District, entitled to the benefits of the Indenture, and upon such issuance, execution and delivery of the Bonds, the Indenture will provide, for the benefit of the holders from time to time of the Bonds, a legally valid and binding pledge of the 2018 Trust Estate. On the Closing Date, all conditions precedent to the issuance of the Bonds set forth in the Indenture will have been complied with or fulfilled;

(h) There is no claim, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to its best knowledge, threatened against the District: (i) contesting the corporate existence or powers of the Board or the titles of the respective officers of the Board to their respective offices; (ii) affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the application of the proceeds of the sale thereof for the purposes described in the Limited Offering Memoranda or the collection of Series

2018 Assessments or the pledge of the 2018 Trust Estate, pursuant to the Indenture; (iii) contesting or affecting specifically as to the District the validity or enforceability of the Act or any action of the District in any respect relating to the authorization for the issuance of the Bonds, or the authorization of the 2018 Project, the Bond Resolution, the Assessment Proceedings, the Financing Documents and the Ancillary Agreements to which the District is a party, or the application of the proceeds of the Bonds for the purposes set forth in the Limited Offering Memoranda; (iv) contesting the federal tax status of the Bonds; or (v) contesting the completeness or accuracy of the Limited Offering Memoranda or any supplement or amendment thereto;

(i) To the extent applicable, the District will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order to: (i) qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate; and (ii) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and the District will use its best efforts to continue such qualifications in effect so long as required for the initial limited offering and distribution of the Bonds; provided, however, that the District shall not be required to execute a general or special consent to service of process or to qualify to do business in connection with any such qualification or determination in any jurisdiction or register as a broker/dealer;

(j) As of its date (unless an event occurs of the nature described in paragraph (1) of this Section 6) and at all times subsequent thereto, up to and including the Closing Date, the statements and information contained in the Preliminary Limited Offering Memorandum (other than "Permitted Omissions") and in the Limited Offering Memorandum are and will be accurate in all material respects for the purposes for which their use is authorized and do not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; provided, however, that no representation is made concerning information contained in the Limited Offering Memoranda under the captions "DESCRIPTION OF THE SERIES 2018 BONDS – Book-Entry System," "THE DEVELOPMENT," ["THE DEVELOPER AND THE LANDOWNER[S],"] "TAX MATTERS," "SUITABILITY FOR INVESTMENT," "LITIGATION – The Landowner[s]" and "UNDERWRITING";

(k) If the Limited Offering Memorandum is supplemented or amended pursuant to subsection (1) of this Section 6, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto up to and including the Closing Date, the Limited Offering Memorandum as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that no representation is made concerning information contained in the Limited Offering Memorandum under the captions "DESCRIPTION OF THE SERIES 2018 BONDS – Book-Entry System," "THE DEVELOPMENT," ["THE

DEVELOPER AND THE LANDOWNER[S],] "TAX MATTERS," "SUITABILITY FOR INVESTMENT," "LITIGATION – The Landowner[s]" and "UNDERWRITING";

(l) If between the date of this Purchase Contract and the earlier of (i) ninety (90) days from the end of the "Underwriting Period" as defined in Rule 15c2-12, or (ii) the time when the Limited Offering Memorandum is available to any person from the MSRB's Electronic Municipal Market Access system (but in no event less than twenty-five (25) days following the end of the Underwriting Period), any event shall occur, of which the District has actual knowledge, which might or would cause the Limited Offering Memorandum, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the District shall notify the Underwriter thereof, and, if in the opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Limited Offering Memorandum, the District will at its expense supplement or amend the Limited Offering Memorandum in a form and in a manner approved by the Underwriter. The end of the Underwriting Period shall be the next business day after the Closing Date;

(m) Since its inception, there has been no material adverse change in the properties, businesses, results of operations, prospects, management or financial or other condition of the District except as disclosed in the Limited Offering Memoranda, and the District has not incurred liabilities that would materially adversely affect its ability to discharge its obligations under the Bond Resolution, the Assessment Proceedings, the Bonds, the Financing Documents or the Ancillary Agreements, direct or contingent, other than as set forth in or contemplated by the Limited Offering Memoranda;

(n) The District is not now in default and has not been in default at any time after December 31, 1975 in the payment of the principal of or the interest on any governmental security issued or guaranteed by it which would require disclosure pursuant to Section 517.051, Florida Statutes or Rule 3E- 400.003 of the Florida Department of Financial Services;

(o) Except as disclosed in the Limited Offering Memoranda, the District has never failed to materially comply with any continuing disclosure obligations entered into by the District pursuant to the Rule;

(p) Any certificate signed by any official of the District and delivered to the Underwriter will be deemed to be a representation by the District to the Underwriter as to the statements made therein; and

(q) From the date of this Purchase Contract through the Closing Date, the District will not issue any bonds (other than the Bonds), notes or other obligations payable from the 2018 Pledged Revenues.

**7. Closing.** At 10:00 a.m. prevailing time on December \_\_, 2018 (the "Closing Date") or at such later time as may be mutually agreed upon by the District and the Underwriter,

the District will deliver or cause to be delivered to the Underwriter the Bonds in definitive book-entry-only form, duly executed and authenticated, together with the other documents hereinafter mentioned, and, subject to the terms and conditions hereof, the Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof, in federal or other immediately available funds to the order of the District. Delivery of the Bonds as aforesaid shall be made pursuant to the FAST system of delivery of The Depository Trust Company, New York, New York, or at such other place as may be mutually agreed upon by the District and the Underwriter. The Bonds shall be typewritten, shall be prepared and delivered as fully registered bonds in book-entry-only form, with one bond for each maturity, registered in the name of Cede & Co. and shall be made available to the Underwriter at least one (1) business day before the Closing Date for purposes of inspection and packaging, unless otherwise agreed by the District and the Underwriter.

**8. Closing Conditions.** The Underwriter has entered into this Purchase Contract in reliance upon the representations, warranties and agreements of the District contained herein, upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered on the Closing Date and upon the performance by the District of its obligations hereunder, both as of the date hereof and as of the Closing Date. Accordingly, the Underwriter's obligations under this Purchase Contract are conditioned upon the performance by the District of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing Date, and are also subject to the following additional conditions:

(a) The representations and warranties of the District contained herein shall be true, complete and correct, on the date hereof and on and as of the Closing Date, as if made on the Closing Date;

(b) At the time of the Closing, the Bond Resolution, the Assessment Proceedings, the Bonds, the Financing Documents and the Ancillary Agreements shall each be in full force and effect in accordance with their respective terms, and the Bond Resolution, the Assessment Proceedings, the Indenture and the Limited Offering Memoranda shall not have been supplemented, amended, modified or repealed, except in any such case as may have been agreed to in writing by the Underwriter;

(c) At or prior to the Closing Date, the Underwriter and the District shall have received each of the following:

(1) The Limited Offering Memorandum and each supplement or amendment, if any, thereto, executed on behalf of the District by the Chairperson of the Board or such other authorized member of the Board;

(2) A copy of each of the Bond Resolution and the Assessment Proceedings certified by the Secretary or an Assistant Secretary of the Board under seal as having been duly adopted by the Board of the District and as being in full force and effect;

(3) An executed copy of each of the Financing Documents and the Ancillary Agreements in form and substance acceptable to the Underwriter and its counsel;

(4) The opinion, dated as of the Closing Date and addressed to the District, of Akerman LLP, Bond Counsel, in the form included in the Preliminary Limited Offering Memorandum as Appendix C, together with a letter of such counsel, dated as of the Closing Date and addressed to the Underwriter and the Trustee, to the effect that the foregoing opinion addressed to the District may be relied upon by the Underwriter and the Trustee to the same extent as if such opinion were addressed to them;

(5) The supplemental opinion, dated as of the Closing Date and addressed to the District and the Underwriter, of Akerman LLP, Bond Counsel, substantially in the form annexed as Exhibit C hereto;

(6) The opinion, dated as of the Closing Date and addressed to the District, the Trustee and the Underwriter, of Straley Robin Vericker P.A., counsel to the District, substantially in the form annexed as Exhibit D hereto or in form and substance otherwise acceptable to the Underwriter and its counsel;

(7) The opinion, dated as of the Closing Date and addressed to the District, the Trustee and the Underwriter of Williams, Parker, Harrison, Dietz & Getzen, Professional Association, counsel to the Landowner[s], substantially in the form annexed as Exhibit E hereto or in form and substance otherwise acceptable to the Underwriter and its counsel;

(8) An opinion, dated as of the Closing Date and addressed to the Underwriter, Underwriter's Counsel, the District and Bond Counsel, of counsel to the Trustee, in form and substance acceptable to Bond Counsel, Underwriter, Underwriter's Counsel, and the District;

(9) A customary authorization and incumbency certificate, dated as of the Closing Date, signed by authorized officers of the Trustee;

(10) Certificate of the Landowner[s] dated as of the Closing in substantially the form annexed as Exhibit F hereto, or in such form and substance otherwise acceptable to the Underwriter and its counsel;

(11) A copy of the Ordinance;

(12) A certificate, dated as of the Closing Date, signed by the Chairperson or Vice-Chairperson and the Secretary or an Assistant Secretary of the Board, setting forth that: (i) each of the representations of the District contained herein was true and accurate in all material respects on the date when made, has been true and accurate in all material respects at all times since, and continues to be true and accurate in all material respects on the Closing Date as if made on such date; (ii) the District has performed all obligations to be performed

hereunder as of the Closing Date; (iii) except as may be disclosed in the Limited Offering Memoranda, the District has never been in default as to principal or interest with respect to any obligation issued or guaranteed by the District; (iv) the District agrees to take all reasonable action necessary to use the Uniform Method as the means of collecting the Series 2018 Assessments as described in the Indenture; and (v) the Limited Offering Memoranda (other than the information under the captions "DESCRIPTION OF THE SERIES 2018 BONDS – Book-Entry System," "THE DEVELOPMENT," ["THE DEVELOPER AND THE LANDOWNER[S]," "TAX MATTERS," "SUITABILITY FOR INVESTMENT," "LITIGATION – The Landowner[s]" and "UNDERWRITING," as to which no view need be expressed) as of its date, and as of the date hereof, does not contain any untrue statement of a material fact or omit to state a material fact which should be included therein for the purposes for which the Limited Offering Memoranda is to be used, or which is necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading;

(13) A customary signature and no litigation certificate, dated as of the Closing Date, signed on behalf of the District by the Chairperson or Vice-Chairperson and Secretary or an Assistant Secretary of the Board in form and substance acceptable to the Underwriter and its counsel;

(14) Evidence of compliance by the District with the requirements of Section 189.051, Florida Statutes;

(15) Executed copies of the District's certification as to arbitrage and other matters relative to the tax status of the Bonds under Section 148 of the Internal Revenue Code of 1986, as amended, and a copy of the District's Post Issuance Policies and Procedures;

(16) Executed copy of Internal Revenue Service Form 8038-G relating to the Bonds;

(17) A certificate of the District's consulting engineer, dated as of the Closing Date, in the form annexed as Exhibit G hereto or otherwise in form and substance acceptable to the Underwriter and its counsel;

(18) A certificate of the District Manager and Methodology Consultant in the form annexed as Exhibit H hereto or otherwise in form and substance acceptable to the Underwriter and its counsel;

(19) Such additional documents as may be required by the Indenture to be delivered as a condition precedent to the issuance of the Bonds;

(20) Evidence of compliance by the District with the requirements of Section 215.84, Florida Statutes;

(21) A certified copy of the final judgment of the Circuit Court in and for the County, validating the Bonds and a certificate of no-appeal;

(22) A copy of the [Master Special Assessment Methodology Report dated April 2, 2014, as supplemented by that Preliminary Supplemental Special Assessment Report dated the date hereof], in form and substance acceptable to the Underwriter and its counsel (collectively, the "Assessment Methodology Report") relating to the Bonds;

(23) A copy of the Engineer's Report and all supplements thereto;

(24) A certificate of the District whereby the District has deemed the Preliminary Limited Offering Memorandum final as of its date, except for permitted omissions, as contemplated by Rule 15c2-12 in connection with the limited offering of the Bonds;

(25) Acknowledgments in recordable form by all holder(s) of any mortgage(s) on District Lands as to the superior lien of the Series 2018 Assessments in form and substance acceptable to the Underwriter and its counsel;

(26) Declarations of Consent to Imposition of Special Assessments of the Landowner[s] with respect to all real property which is subject to the Series 2018 Assessments in recordable form and otherwise in form and substance acceptable to the Underwriter and Underwriter's Counsel;

(27) A certificate of the Dissemination Agent (i) acknowledging its agreement to serve as the initial Dissemination Agent for the District and undertake the obligations of the Dissemination Agent as set forth in the Disclosure Agreement and (ii) representing that the Dissemination Agent is aware of the continuing disclosure requirements set forth in the Disclosure Agreement and Rule 15c2-12, and that it has policies and procedures in place to ensure its compliance with its obligations under the Disclosure Agreement; and

(28) Such additional legal opinions, certificates, instruments and other documents as the Underwriter, Underwriter's Counsel, Bond Counsel or counsel to the District may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the District's representations and warranties contained herein and of the statements and information contained in the Limited Offering Memoranda and the due performance or satisfaction by the District and the Landowner[s] on or prior to the Closing of all the agreements then to be performed and conditions then to be satisfied by each.

If the District shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds contained in this Purchase Contract (unless waived by the Underwriter in its sole discretion), or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Underwriter nor the District shall be under any further obligation hereunder, except

that the respective obligations of the District and the Underwriter set forth in Section 10 hereof shall continue in full force and effect.

**9. Termination.** The Underwriter shall have the right to terminate its obligations under this Purchase Contract to purchase, to accept delivery of and to pay for the Bonds by notifying the District of its election to do so if, after the execution hereof and prior to the Closing: (i) legislation shall have been introduced in or enacted by the Congress of the United States or enacted by the State, or legislation pending in the Congress of the United States shall have been amended, or legislation shall have been recommended to the Congress of the United States or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairperson or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation shall have been proposed for consideration by either such committee, by any member thereof, or legislation shall have been favorably reported for passage to either House of Congress of the United States by a committee of such House to which such legislation has been referred for consideration, or a decision shall have been rendered by a court of the United States or the State, including the Tax Court of the United States, or a ruling shall have been made or a regulation shall have been proposed or made or a press release or other form of notice shall have been issued by the Treasury Department of the United States, or the Internal Revenue Service or other federal or State authority, with respect to federal or State taxation upon revenues or other income of the general character to be derived by the District or by any similar body, or upon interest on obligations of the general character of the Bonds, which may have the purpose or effect, directly or indirectly, of materially and adversely affecting the tax status of the District, its property or income, its securities (including the Bonds) or the interest thereon, or any tax exemption granted or authorized by the State or, which in the reasonable opinion of the Underwriter, affects materially and adversely the market for the Bonds, or the market price generally of obligations of the general character of the Bonds; (ii) the District or the Landowner[s] has, without the prior written consent of the Underwriter, offered or issued any bonds, notes or other obligations for borrowed money, or incurred any material liabilities, direct or contingent, or there has been an adverse change of a material nature in the financial position, results of operations or condition, financial or otherwise, of the District or the Landowner[s], other than in the ordinary course of its business; (iii) any event shall have occurred or shall exist which, in the reasonable opinion of the Underwriter, would or might cause the information contained in the Limited Offering Memorandum, as then supplemented or amended, to contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; or (iv) the District fails to adopt the Assessment Proceedings or fails to perform any action to be performed by it in connection with the levy of the Series 2018 Assessments.

**10. Expenses.**

(a) The District agrees to pay, and the Underwriter shall not be obligated to pay, any expenses incident to the performance of the District's obligations hereunder, including, but not limited to: (i) the cost of the preparation and distribution of the Indenture; (ii) the cost of the preparation and printing, if applicable, of the Limited Offering Memoranda and any supplements

thereto, together with a reasonable number of copies which the Underwriter may request; (iii) the cost of registering the Bonds in the name of Cede & Co., as nominee of DTC, which will act as securities depository for such Bonds; (iv) the fees and disbursements of counsel to the District, the District Manager, the Dissemination Agent, Bond Counsel, Underwriter's Counsel, the District's methodology consultant, the Consulting Engineer, and any other experts or consultants retained by the District; and (v) the cost of recording in the Official Records of the County any Financing Documents, Ancillary Agreements or other documents or certificates that are required to be recorded pursuant to the terms of this Purchase Contract. The District shall record all documents required to be provided in recordable form hereunder within one business day after the Closing Date, which obligation shall survive the Closing.

(b) The Underwriter agrees to pay all advertising and applicable regulatory expenses in connection with the Bonds, if any.

**11. No Advisory or Fiduciary Role.** The District acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Agreement is an arm's-length commercial transaction between the District and the Underwriter, (ii) in connection with such transaction and with the discussions, undertakings and procedures leading up to such transaction, the Underwriter is and has been acting solely as a principal and not as an advisor (including, without limitation, a Municipal Advisor (as such term is defined in Section 975(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act)), agent or a fiduciary of the District, (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the District with respect to the offering of the Bonds or the discussions, undertakings and process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has advised or is currently advising or providing other services the District on other matters) or any other obligation to the District except the obligations expressly set forth in this Agreement, (iv) the Underwriter has financial and other interests that differ from those of the District and (v) the District has consulted with its own legal, financial and other advisors to the extent it deemed appropriate in connection with the offering of the Bonds.

**12. Notices.** Any notice or other communication to be given to the District under this Purchase Contract may be given by delivering the same in writing to the District Manager at Wrathell, Hunt and Associates, LLC, 6131 Lyons Road, Suite 100, Coconut Creek, Florida 33073, and any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to FMSbonds, Inc., 20660 W. Dixie Highway, North Miami Beach, Florida 33180, Attention: Jon Kessler.

**13. Parties in Interest; Survival of Representations.** This Purchase Contract is made solely for the benefit of the District and the Underwriter (including the successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. All of the District's representations, warranties and agreements contained in this Purchase Contract, with the understanding that all are made as of the date hereof, shall remain operative and in full force and effect and survive the closing on the Bonds, regardless of: (i) any investigations made by or on behalf of the Underwriter and (ii) delivery of and payment for the Bonds pursuant to this Purchase Contract.

**14. Effectiveness.** This Purchase Contract shall become effective upon the execution by the appropriate officials of the District and shall be valid and enforceable at the time of such acceptance. To the extent of any conflict between the provisions of this Purchase Contract and any prior contract between the parties hereto, the provisions of this Purchase Contract shall govern.

**15. Headings.** The headings of the sections of this Purchase Contract are inserted for convenience only and shall not be deemed to be a part hereof.

**16. Amendment.** No modification, alteration or amendment to this Purchase Contract shall be binding upon any party until such modification, alteration or amendment is reduced to writing and executed by all parties hereto.

**17. Governing Law.** This Purchase Contract shall be governed and construed in accordance with the laws of the State.

**18. Counterparts; Facsimile.** This Purchase Contract may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were signatures upon the same instrument. Facsimile and pdf signatures shall be deemed originals.

[Remainder of Page Intentionally Left Blank.]

*[Signature page to Bond Purchase Contract]*

Very truly yours,

**FMSBONDS, INC.**

By: \_\_\_\_\_  
Theodore A. Swinarski,  
Senior Vice President - Trading

Accepted and agreed to this  
\_\_\_\_ day of \_\_\_\_\_, 2018.

**TOSCANA ISLES COMMUNITY  
DEVELOPMENT DISTRICT**

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

**EXHIBIT A**

**DISCLOSURE AND TRUTH-IN-BONDING STATEMENT**

\_\_\_\_\_, 2018

Toscana Isles Community Development District  
City of Venice, Florida

Re: \$\_\_\_\_\_ Toscana Isles Community Development District Special Assessment  
Revenue Bonds, Series 2018

Dear Ladies and Gentlemen:

Pursuant to Chapter 218.385, Florida Statutes, and with respect to the issuance of the above-referenced bonds (the "Bonds"), FMSbonds, Inc. (the "Underwriter"), having purchased the Series 2018 Bonds pursuant to a Bond Purchase Contract dated \_\_\_\_\_, 2018 (the "Bond Purchase Contract"), between the Underwriter and Toscana Isles Community Development District (the "District"), furnishes the following information in connection with the Limited Offering and sale of the Bonds. Capitalized terms used and not defined herein shall have the meanings assigned to them in the Bond Purchase Contract.

1. The total underwriting discount to be paid to the Underwriter pursuant to the Bond Purchase Contract is \$\_\_\_\_\_ per \$1,000.00 or \$\_\_\_\_\_.
2. The names, addresses and estimated amounts of compensation of any person who is not regularly employed by, or not a partner or officer of, the Underwriter, bank, banker, or financial consultant or advisor and who enters into an understanding with either the District or the Underwriter, or both, for any paid or promised compensation or valuable consideration directly, expressly or impliedly, to act solely as an intermediary between the District and the Underwriter for the purposes of influencing any transaction in the purchase of the Bonds are: None.
3. The nature and estimated amounts of expenses to be incurred by the Underwriter in connection with the issuance of the Bonds are set forth in Schedule I attached hereto.
4. The management fee charged by the Underwriter is: \$0/\$1,000 or \$0.
5. Any other fee, bonus or other compensation estimated to be paid by the Underwriter in connection with the Bonds to any person not regularly employed or retained by the Underwriter in connection with the Bonds is as follows: None. GrayRobinson, P.A. has been retained as counsel to the Underwriter and will be compensated by the District.

6. The name and address of the Underwriter is:

FMSbonds, Inc.  
20660 W. Dixie Highway  
North Miami Beach, Florida 33180

The District is proposing to issue \$\_\_\_\_\_ aggregate amount of the Bonds for the purpose of providing moneys to: (i) finance the Cost of acquisition, construction, installation and equipping of a portion of the 2018 Project which 2018 Project will construct of "Assessable Improvements" providing special benefits to properties in Units 2 and 3 of the District; (ii) pay certain costs associated with the issuance of the Series 2018 Bonds; (iii) to pay a portion of the interest accruing on the Series 2018 Bonds; and (iv) fund the 2018 Reserve Account. This debt or obligation is expected to be repaid over a period of approximately \_\_\_\_\_ (\_\_\_\_) years and \_\_\_\_\_ (\_\_\_\_) months. At a net interest cost of approximately \_\_\_\_\_% for the Bonds, total interest paid over the life of the Bonds will be \$\_\_\_\_\_.

The source of repayment for the Bonds is the Series 2018 Assessments imposed and collected by the District. Based solely upon the assumptions set forth in the paragraph above, the issuance of the Bonds will result in approximately \$\_\_\_\_\_ of the District's special assessment revenues not being available to the District on an annual basis to finance other services of the District; provided however, that in the event that the Bonds were not issued, the District would not be entitled to impose and collect the Series 2018 Assessments in the amount of the principal of and interest to be paid on the Bonds.

[Remainder of page intentionally left blank.]

*[Signature page to Disclosure and Truth in Bonding Statement]*

Sincerely,

By: \_\_\_\_\_  
Theodore A. Swinarski,  
Senior Vice President - Trading

**SCHEDULE I**

<u>Expense</u>	<u>Amount</u>
DALCOMP	
Clearance	
CUSIP	
DTC	
FINRA/SIPC	
MSRB	
Electronic Orders	
TOTAL:	<hr/>

**EXHIBIT B**

**TERMS OF BONDS**

1. **Purchase Price:** \$\_\_\_\_\_ (representing the \$\_\_\_\_\_ aggregate principal amount of the Series 2018 Bonds, [plus/less net original issue premium/discount of \$\_\_\_\_\_ and] an underwriter's discount of \$\_\_\_\_\_).
  
2. **Principal Amounts, Maturities, Interest Rates and Prices:**

<u>Amount</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Price</u>
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The Underwriter has offered the Series 2018 Bonds to the public on or before the date of this Purchase Contract at the initial offering prices set forth herein and has sold at least 10% of each maturity of the Series 2018 Bonds to the public at a price that is no higher than such initial offering prices[, except for the following maturities: \_\_\_\_\_].

3. **Redemption Provisions:**

**Optional Redemption**

The Series 2018 Bonds are subject to redemption at the option of the District prior to maturity, in whole or in part, on any date on or after November 1, \_\_\_\_ at the Redemption Price of 100% of the principal amount to be redeemed plus accrued interest to the Redemption Date.

**Mandatory Sinking Fund Redemption**

The Series 2018 Bonds maturing November 1, \_\_\_\_\_ are subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2018 Sinking Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, on November 1 of the years and in the principal amounts set forth below.



Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, on November 1 of the years and in the principal amounts set forth below.

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

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\*Maturity

The Series 2018 Bonds maturing November 1, \_\_\_\_\_ are subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2018 Sinking Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, on November 1 of the years and in the principal amounts set forth below.

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

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\*Maturity

Any Series 2018 Bonds that are purchased by the District with amounts held to pay an Amortization Installment will be cancelled and the principal amount so purchased will be applied as a credit against the applicable Amortization Installment of Series 2018 Bonds.

Upon redemption or purchase a portion of the Series 2018 Bonds (other than redemption in accordance with scheduled Amortization Installments), the District shall cause to be recalculated and delivered to the Trustee revised Amortization Installments recalculated so that Debt Service on the Series 2018 Bonds is amortized in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Series 2018 Bonds.

### **Extraordinary Mandatory Redemption**

The Series 2018 Bonds are subject to extraordinary mandatory redemption prior to scheduled maturity, in whole on any date or in part on any Redemption Date, and if in part on a pro rata basis calculated by the District determined by the ratio of the Outstanding principal amount of each maturity of the Series 2018 Bonds treating for such purposes each Amortization Installment as a maturity divided by the aggregate principal amount of Outstanding Series 2018 Bonds and as otherwise provided in the Indenture, at the Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, if and to the extent that any one or more of the following shall have occurred:

(i) On or after the Completion Date of the 2018 Project including the Unit 3 Project by application of moneys transferred from the 2018 Acquisition and Construction Account to the 2018 Prepayment Account in accordance with the terms of the Indenture; or

(ii) On the first Redemption Date subsequent to \_\_\_\_\_ by application of moneys transferred from the Unit 3 Subaccount of the 2018 Acquisition and Construction Account to the 2018 Prepayment Subaccount in accordance with the terms of the Indenture; or

(iii) Amounts are deposited into the 2018 Prepayment Account from the prepayment of Series 2018 Assessments and from amounts deposited into the 2018 Prepayment Subaccount from other sources; or

(iv) When the amount on deposit in the 2018 Reserve Account, together with other moneys available therefor are sufficient to pay and redeem all the Series 2018 Bonds then Outstanding as provided in the Supplemental Indenture.

[Remainder of page intentionally left blank.]

**EXHIBIT C**

**BOND COUNSEL'S SUPPLEMENTAL OPINION**

December \_\_\_\_, 2018

Toscana Isles Community Development District  
City of Venice, Florida

FMSbonds, Inc.  
North Miami Beach, Florida

Re: \$\_\_\_\_\_ Toscana Isles Community Development District (City of Venice,  
Florida) Special Assessment Revenue Bonds, Series 2018

Ladies and Gentlemen:

We have acted as Bond Counsel to the Toscana Isles Community Development District (the "District"), a community development district established and existing pursuant to Chapter 190 of the Florida Statutes, as amended (the "Act"), in connection with the issuance by the District of its \$\_\_\_\_\_ original aggregate principal amount of Toscana Isles Community Development District Special Assessment Revenue Bonds, Series 2018 (the "Bonds"). In such capacity, we have rendered our final approving opinion (the "Opinion") of even date herewith relating to the Bonds. The Bonds are secured pursuant to that certain Master Trust Indenture, dated October 1, 2014, as supplemented and amended by that certain Second Supplemental Trust Indenture, dated as of December 1, 2018 (collectively, the "Indenture"), each by and between the District and U.S. Bank National Association, as trustee (the "Trustee").

In connection with the rendering of the Opinion, we have reviewed records of the acts taken by the District in connection with the authorization, sale and issuance of the Bonds, were present at various meetings and participated in various discussions in connection therewith and have reviewed such other documents, records and other instruments as we deem necessary to deliver this opinion.

The District has entered into a Bond Purchase Contract dated \_\_\_\_\_, 2018 (the "Purchase Contract"), for the purchase of the Bonds. Capitalized words used, but not defined, herein shall have the meanings ascribed thereto in the Purchase Contract.

Based upon the forgoing, we are of the opinion that:

1. The sale of the Bonds by the District is not subject to the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), pursuant to the exemption provided in Section 3(a)(2) of the Securities Act.

2. The Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

3. The information in the Limited Offering Memorandum under the captions "INTRODUCTION," "DESCRIPTION OF THE SERIES 2018 BONDS" (excluding the information under the subsection "– Book-Entry System"), "SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2018 BONDS" (excluding the information in the first two paragraphs under the subcaption "– Prepayment of Series 2018 Assessments") and "APPENDIX B: COPY OF MASTER INDENTURE AND PROPOSED FORM OF SECOND SUPPLEMENTAL INDENTURE," insofar as such statements constitute descriptions of the Bonds or the Indenture, are accurate as to the matters set forth or documents described therein, and the information under the captions "TAX MATTERS," and "AGREEMENT BY THE STATE," insofar as such information purports to describe or summarize certain provisions of the laws of the State of Florida (the "State") and the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), is accurate as to the matters set forth therein.

This letter is furnished by us as Bond Counsel. No attorney-client relationship has existed or exists between our firm and FMSbonds, Inc. (the "Underwriter") in connection with the Bonds or by virtue of this letter. This letter is delivered to the Underwriter solely for its benefit as Underwriter and may not be used, circulated, quoted or otherwise referred to or relied upon by the Underwriter for any other purpose or by any other person other than the addressee hereto. This letter is not intended to, and may not be, relied upon by holders of the Bonds.

Very truly yours,

**EXHIBIT D**

**ISSUER'S COUNSEL'S OPINION**

December \_\_\_\_, 2018

Toscana Isles Community Development District  
City of Venice, Florida

FMSbonds, Inc.  
North Miami Beach, Florida

Akerman LLP  
Orlando, Florida

GrayRobinson, P.A.  
Tampa, Florida

Re:    \$\_\_\_\_\_ Toscana Isles Community Development District (City of Venice,  
Florida) Special Assessment Revenue Bonds, Series 2018

Ladies and Gentlemen:

[Customary introduction/qualifications]

The District has been established and validly exists as a community development district and independent local unit of special purpose government under applicable Florida law. The Bond Purchase Contract, the Indenture, the DTC Letter of Representations, and the Continuing Disclosure Agreement (collectively, the "Financing Documents") and the Agreement by and between the District and [LALP Development, LLC (the "Landowner[s]")] Regarding the Completion of Certain Improvements dated as of the Closing Date (the "Completion Agreement"), the Agreement to Convey by and between the District and the Landowner[s] dated as of the Closing Date (the "Conveyance Agreement"), the Collateral Assignment and Assumption of Development Rights relating to the 2018 Project by and between the District and the Landowner[s] dated as of the Closing Date and in recordable form (the "Collateral Assignment") and the Agreement Regarding True-Up as to Series 2018 Assessments between the District and the Landowner[s] dated as of the Closing Date and in recordable form (the "True-Up Agreement" and, together with the Completion Agreement, the Conveyance Agreement and the Collateral Assignment, the "Ancillary Agreements") regarding the levy and collection of the Series 2018 Assessments using the uniform method for the collection of non-ad valorem assessments pursuant to Section 197.3632, Florida Statutes, as amended, and the Bonds have been duly authorized, executed and delivered, and assuming due execution by the other party(ies) thereto, if applicable, the Financing Documents, the Ancillary Agreements, the Bonds, Resolutions 2014-12 and 2018-\_\_\_\_ adopted by the Board of Supervisors of the District (the "Board") on February 18, 2014 and October 17, 2018, respectively (collectively, the "Bond Resolution"), Resolution No. 2018-\_\_\_\_, Resolution No. 2018-\_\_\_\_, Resolution No. 2018-\_\_\_\_ and Resolution No. 2018-\_\_\_\_, of the District adopted on \_\_\_\_\_, 2018, \_\_\_\_\_, 2018,

\_\_\_\_\_, 2018, and \_\_\_\_\_, 2018, respectively (collectively, the "Assessment Resolutions"), constitute legal, valid and binding obligations of the District, enforceable in accordance with their respective terms, except to the extent that the enforceability of the rights and remedies set forth therein may be limited by bankruptcy, insolvency, and similar laws affecting creditors' rights generally and general principles of equity.

1. There is no litigation or other proceeding now pending of which the District or its registered agent has received notice or service of process, or to our best knowledge, threatened against the District: (a) contesting the existence or powers of the board or the titles of the respective officers of the Board to their respective offices; (b) affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the application of the proceeds of the sale thereof for the purposes described in the Limited Offering Memoranda (as defined herein) or the collection of Series 2018 Assessments or the pledge of and lien on the 2018 Pledged Revenues pursuant to the Indenture; (c) contesting or affecting specifically as to the District the validity or enforceability of the Act or any action of the District relating to authorization for the issuance of the Bonds or the authorization of the 2018 Project, the Bond Resolution, the Assessment Resolutions, the Financing Documents, the Ancillary Agreements, or the application of the proceeds of the Bonds for the purposes set forth in the Limited Offering Memoranda; (d) specifically contesting the federal or state tax status of the Bonds; or (e) contesting the completeness or accuracy of the Limited Offering Memoranda or any supplement or amendment thereto.

2. The District has duly authorized and delivered the Preliminary Limited Offering Memorandum dated \_\_\_\_\_, 2018 (the "Preliminary Limited Offering Memorandum"), and duly authorized, execute and delivered the Limited Offering Memorandum dated \_\_\_\_\_, 2018 (the "Limited Offering Memorandum" and, together with the Preliminary Limited Offering Memorandum, collectively, the "Limited Offering Memoranda").

3. Based upon our representation of the District as its Counsel and our limited participation in the preparation of the Limited Offering Memoranda, we have no reason to believe that the statements and information contained in the Limited Offering Memoranda under the captions (including all subcaptions thereunder unless hereinafter excluded) "INTRODUCTION," "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2018 BONDS" (as to the information under the subcaption "– Prepayment of Series 2018 Assessments"), "ENFORCEMENT OF ASSESSMENT COLLECTIONS," "THE DISTRICT" (excluding the subcaption "The District Manager and Other Consultants"), "AGREEMENT BY THE STATE," "CONTINUING DISCLOSURE," "LITIGATION – The District," "DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS," "VALIDATION," and "AUTHORIZATION AND APPROVAL" are not true and accurate and as of their respective dates did not, and as of the date of Closing do not, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

4. The District is not, in any manner material to the issuance of the Bonds, in breach of or default under any applicable provision of the Act or constitutional provision, statute, or administrative regulation of the State or the United States, or to the best of our knowledge, any applicable judgment or decree, any loan agreement, indenture, bond, note, resolution, agreement,

or any other material instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, and to the best of our knowledge, no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a material default or event of default by the District under any such instrument; provided, however, that no opinion is expressed as to compliance with any state or federal tax laws or with any state "Blue Sky" or other securities laws, as may be applicable.

5. The execution and delivery of the Bonds, the Financing Documents, the Ancillary Agreements, to which the District is a party, and the adoption of the Bond Resolution and the Assessment Resolutions and compliance with the provisions on the District's part contained therein will not conflict with or constitute a breach of or default under any applicable constitutional provision or law, or to the best of our knowledge, under any administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the District or under the terms of any such law, regulation or instrument, except as expressly provided by the Bonds and the Indenture. To the best of our knowledge after due inquiry, the District has taken no action which, with the lapse of time or the giving of notice, or both would constitute a material default or event of default by the District under the Bonds, the Financing Documents or the Ancillary Agreements.

6. To the best of our knowledge after investigation, all consents, permits or licenses, and all notices to or filings with governmental authorities necessary for the consummation by the District of the transactions described in the Limited Offering Memoranda and contemplated by the Indenture required to be obtained or made, have been obtained or made or there is no reason to believe they will not be obtained or made when required, provided that no opinion is expressed as to the applicability of or compliance with tax laws, state "Blue Sky" laws or other securities laws.

7. The District has the right and authority under the Act and other state law to adopt the Bond Resolution and the Assessment Resolutions, to issue the Bonds, to undertake the Project, to issue the Bonds and to levy the Series 2018 Assessments that will secure the Bonds, and has duly adopted the Bond Resolution and the Assessment Resolutions.

8. All proceedings undertaken by the District with respect to the Series 2018 Assessments securing the Bonds, including adoption of the Assessment Resolutions, were undertaken in accordance with Florida law, and the District has taken all necessary action as of the date hereof to levy and impose the Series 2018 Assessments. The Series 2018 Assessments constitute legal, valid, binding and enforceable first liens upon the property against which such Series 2018 Assessments are assessed, co-equal with the lien of all state, county, district and municipal taxes and assessments, and superior in dignity to all other liens, titles and claims, until paid.

9. The Bonds have been validated by a final judgment of the Circuit Court in and for Sarasota County, Florida, of which no timely appeal was filed.

10. The District has the full power and authority to own and operate the 2018 Project.

All conditions prescribed in the Indenture and the Purchase Contract to be performed by the District as precedent to the issuance of the Bonds have been fulfilled.

Very truly yours,

**EXHIBIT E**

**FORM OF LANDOWNER[S]' COUNSEL OPINION**

December \_\_\_\_, 2018

Toscana Isles Community Development District  
City of Venice, Florida

FMSbonds, Inc.  
North Miami Beach, Florida

U.S. Bank National Association  
Orlando, Florida

Akerman LLP  
Orlando, Florida

GrayRobinson, P.A.  
Tampa, Florida

Re:     \$ \_\_\_\_\_ Toscana Isles Community Development District (City of Venice,  
          Florida) Special Assessment Revenue Bonds, Series 2018 (the "Bonds")

Ladies and Gentlemen:

I am counsel to [LALP Development, LLC, a Florida limited liability company (the "Landowner[s]")], which are the owner of certain lands referred to as Assessment Area One within the development located in the City of Venice, Florida and commonly referred to as Toscana Isles, as such lands are described in the Limited Offering Memoranda (as hereinafter defined). This opinion is rendered at the request of the Landowner[s] in connection with the issuance by the Toscana Isles Community Development District (the "District") of the Bonds as described in the District's Preliminary Limited Offering Memorandum dated \_\_\_\_\_, 2018 and the District's final Limited Offering Memorandum, dated \_\_\_\_\_, 2018, including the appendices attached thereto (collectively, the "Limited Offering Memoranda"). It is my understanding that the Bonds are being issued to: (i) finance the Cost of acquisition, construction, installation and equipping of the 2018 Project; (ii) pay certain costs associated with the issuance of the Bonds; and (iii) fund the 2018 Reserve Account as provided in the Indenture; and (iv) to pay a portion of the interest accruing on the Bonds.

In my capacity as counsel to the Landowner[s], I have examined originals or copies identified to my satisfaction as being true copies of the Limiting Offering Memoranda, [the Funding and Completion Agreement dated as of \_\_\_\_\_, 2018 ("Closing Date"), by and between the District and the Landowner[s] (the "Completion Agreement"), the Development Acquisition Agreement dated as of the Closing Date by and between the District and the Landowner[s] (the "Acquisition Agreement"), the Agreement to Convey or Dedicate dated as of

the Closing Date by and between the District and the Landowner[s] (the "Conveyance Agreement"), the Collateral Assignment and Assumption of Development Rights Relating to the 2018 Project dated as of the Closing Date and in recordable form by and between the District and the Landowner[s] (the "Collateral Assignment"), the True-Up Agreement between the District and the Landowner[s] dated as of the Closing Date in recordable form (the "True-Up Agreement"), the Declaration of Consent to Jurisdiction of the Toscana Isles Community Development District and Imposition of Special Assessments and Imposition of Lien of Record by the respective Landowner[s] dated as of the Closing Date, the Certificates of the respective Landowner[s] dated as of the Closing Date, and the Continuing Disclosure Agreement dated as of the Closing Date, by and among the District, the Landowner[s], and Wrathell, Hunt and Associates, LLC, as dissemination agent (the "Dissemination Agent") (collectively, the "Documents") and have made such examination of law as I have deemed necessary or appropriate in rendering this opinion. In connection with the forgoing, I also have reviewed and examined the Landowner[s]'s Operating Agreements, Articles of Organization filed with the Florida Division of Corporations, and certificates of good standing issued by the State of Florida on \_\_\_\_\_, 2018 (collectively, the "Organizational Documents").

In rendering this opinion, I have assumed, without having made any independent investigation of the facts, the genuineness of all signatures (other than those of the Landowner[s]) and the authenticity of all documents submitted to me as originals and the conformity to original documents of all documents submitted to me as certified, conformed or photostatic copies, and the legal capacity of all natural persons.

In basing the opinions set forth in this opinion on "my knowledge," the words "my knowledge" signify that, in the course of my representation of the Landowner[s], no facts have come to my attention that would give me actual knowledge or actual notice that any such opinions or other matters are not accurate. Except as otherwise stated in this opinion, I have undertaken no investigation or verification of such matters.

Based on the forgoing, I am of the opinion that:

1. The Landowner[s] is a limited liability company organized and existing under the laws of the State of Florida.
2. The Landowner[s] has the power to conduct its business and to undertake the development and sale of the lands in the District as described in the Limited Offering Memoranda and to enter into the Documents.
3. The Documents have been duly authorized, executed and delivered by the Landowner[s] and are in full force and effect. Assuming the due authorization, execution and delivery of such instruments by the other parties thereto and their authority to perform such instruments, the Documents constitute legal, valid and binding obligations of the Landowner[s], enforceable in accordance with their respective terms.
4. Nothing has come to my attention that would lead me to believe the information contained in the Limited Offering Memoranda under the captions "THE DEVELOPMENT," ["THE DEVELOPER AND THE LANDOWNER[S],"] and "LITIGATION – The

Landowner[s]" does not accurately and fairly present the information purported to be shown or contains any untrue statement of a material fact nor omits to state any material fact necessary to make the statement made therein, in light of the circumstances under which they were made, not misleading as of the dates of the Limited Offering Memoranda or as of the date hereof.

5. The execution, delivery and performance of the Documents by the Landowner[s] does not violate (i) their respective operating agreements, (ii) to my knowledge, any agreement, instrument or Federal or Florida law, rule or regulation known to me to which either of the Landowner[s] is a party or by which any of their respective assets are or may be bound; or (iii) to my knowledge, any judgment, decree or order of any administrative tribunal, which judgment, decree, or order is binding on either of the Landowner[s] or any of their respective assets.

6. Nothing has come to my attention that would lead me to believe that the Landowner[s] is not in compliance in all material respects with all provisions of applicable law in all material matters relating to the Landowner[s] as described in the Limited Offering Memoranda. Except as otherwise described in the Limited Offering Memoranda, (a) I have no knowledge that the Landowner[s] has not received all government permits required in connection with the construction and completion of the development of the 2018 Project and the lands in the Development as described in the Limited Offering Memoranda, other than certain permits, which permits are expected to be received as needed, have been received; (b) I have no knowledge of any default of any zoning condition, land use permit or development agreement which would adversely affect the Landowner[s]'s ability to complete development of the 2018 Project and the lands in the Development as described in the Limited Offering Memoranda and all appendices thereto; and (c) I have no knowledge and am not otherwise aware of any reason to believe that any permits, consents and licenses required to complete the development of the 2018 Project and the lands in the Development as described in the Limited Offering Memoranda will not be obtained in due course as required by the Landowner[s].

7. To the best of my knowledge after due inquiry, the levy of the Series 2018 Assessments on the lands within the District will not conflict with or constitute a breach of or default under any agreement, indenture or other instrument to which either of the Landowner[s] is a party or to which either of the Landowner[s] or its respective properties or assets are subject.

8. To the best of my knowledge after due inquiry, there is no litigation pending or threatened which would prevent or prohibit the development of the 2018 Project and the lands in the Development in accordance with the description thereof in the Limited Offering Memoranda and the Engineer's Report annexed thereto as an Appendix or which may result in any material adverse change in the respective business, properties, assets or financial condition of the Landowner[s].

9. To the best of my knowledge after due inquiry, neither of the Landowner[s] has made an assignment for the benefit of creditors, filed a petition in bankruptcy, petitioned or applied to any tribunal for the appointment of a custodian, receiver or any trustee or commenced any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction. To the best of my knowledge after due inquiry, neither of the Landowner[s] has indicated its consent to, or approval of, or failed to

object timely to, any petition in bankruptcy, application or proceeding or order for relief or the appointment of a custodian, receiver or any trustee.

10. To the best of my knowledge after due inquiry, neither of the Landowner[s] is in default under any mortgage, trust indenture, lease or other instrument to which any of its assets are subject, which default would have a material adverse effect on the Bonds or the development of the 2018 Project and the lands in the Development.

This opinion is given as of the date hereof, and I disclaim any obligation to update this opinion letter for events occurring after the date of this opinion letter. The foregoing opinion applies only with respect to the laws of the State of Florida and the federal laws of the United States of America and I express no opinion with respect to the laws of any other jurisdiction. Nothing herein shall be construed as an opinion regarding the possible applicability of state securities or "blue sky" laws, as to which no opinion is expressed. This letter is for the benefit of and may be relied upon solely by the addressees and this opinion may not be relied upon in any manner, nor used, by any other persons or entities.

My opinion as to enforceability of any document is subject to limitations imposed by bankruptcy, insolvency, reorganization, moratorium, liquidation, readjustment of debt, or similar laws relating to or affecting creditor's rights generally and general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), and to the exercise of judicial discretion in appropriate cases.

Very truly yours,

**EXHIBIT F**

**FORM OF CERTIFICATE OF LANDOWNER[S]**

[LALP DEVELOPMENT, LLC, a Florida limited liability company] (the "Landowner[s]"), DOES HEREBY CERTIFY, that:

1. This Certificate of Landowner[s] is furnished pursuant to Section 8(c)(10) of the Bond Purchase Contract dated \_\_\_\_\_, 2018 (the "Purchase Contract") between Toscana Isles Community Development District (the "District") and FMSbonds, Inc. (the "Underwriter") relating to the sale by the District of its \$\_\_\_\_\_ original aggregate principal amount of Toscana Isles Community Development District Special Assessment Revenue Bonds, Series 2018 (the "Bonds"). Capitalized terms used, but not defined, herein shall have the meaning assigned thereto in the Purchase Contract or in the Limited Offering Memoranda (defined below), as applicable.

2. The Landowner[s] is a limited liability company organized and existing under the laws of the State of Florida.

3. Representatives of the Landowner[s] have provided information to the District to be used in connection with the offering by the District of the Bonds, pursuant to a Preliminary Limited Offering Memorandum dated \_\_\_\_\_, 2018, and a final Limited Offering Memorandum dated \_\_\_\_\_, 2018 (collectively, the "Limited Offering Memoranda").

4. The Declaration of Consent to Jurisdiction of Toscana Isles Community Development District and to Imposition of Special Assessments dated \_\_\_\_\_, 2018 executed by the Landowner[s] and to be recorded in the public records of Sarasota County, Florida (the "Declaration of Consent"), constitutes a valid and binding obligation of the Landowner[s], enforceable against the Landowner[s] in accordance with its terms, subject to the effect of bankruptcy and similar laws and general equitable principles that may limit enforcement.

5. The Landowner[s] has reviewed and approved the information contained in the Limited Offering Memoranda under the captions "THE CAPITAL IMPROVEMENT PROGRAM AND THE 2018 PROJECT," "THE DEVELOPMENT," ["THE DEVELOPER AND THE LANDOWNER[S],"] "BONDOWNERS' RISKS" (with respect to the [Developer and the Landowner[s]], the 2018 Project and Assessment Area One), "LITIGATION – The [Developer and the Landowner[s]]" and "CONTINUING DISCLOSURE" (with respect to the Landowner[s]), and warrants and represents that such information did not as of their respective dates, and does not as of the date hereof, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. In addition, the Landowner[s] is not aware of any other information in the Limited Offering Memoranda that contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

6. The Landowner[s] represents and warrants that, to its knowledge, it has complied with and will continue to comply with Chapter 190.048, Florida Statutes, as amended.

7. As of the date hereof, there has been no material adverse change in the business, properties, assets or financial condition of the Landowner[s] which would have a material adverse effect on the consummation of the transactions contemplated by the Financing Documents, Ancillary Documents or on the Development, which has not been disclosed in the Limited Offering Memoranda or in the other information provided in writing by the Landowner[s] to the Underwriter.

8. The Landowner[s] hereby consents to the levy of the Series 2018 Assessments on portions of Assessment Area One that are owned by the Landowner[s]. The levy of the Series 2018 Assessments on Assessment Area One will not conflict with or constitute a breach of or default under any agreement, mortgage, lien or other instrument to which the Landowner[s] is a party or to which its property or assets are subject.

9. The Landowner[s] has not made an assignment for the benefit of creditors, filed a petition in bankruptcy, petitioned or applied to any tribunal for the appointment of a custodian, receiver or any trustee or commenced any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction. The Landowner[s] has not indicated its consent to, or approval of, or failed to object timely to, any petition in bankruptcy, application or proceeding or order for relief or the appointment of a custodian, receiver or any trustee.

10. The Landowner[s] acknowledges that the Bonds have the debt service requirements set forth in the Limited Offering Memorandum and that the Series 2018 Assessments will be levied by the District at times, and in amounts sufficient, to enable the District to pay debt service on the Bonds when due.

11. To the best of its knowledge, the Landowner[s] is not in default under any resolution, ordinance, agreement or indenture, mortgage, lease, deed of trust, note or other instrument to which the Landowner[s] is subject or by which the Landowner[s] or its properties are or may be bound, which would have a material adverse effect on the consummation of the transactions contemplated by the Financing Documents, Ancillary Documents or on the Development and is not delinquent in the payment of any ad valorem, federal or state taxes associated with the Development.

12. Except as otherwise disclosed in the Limited Offering Memoranda, there is no action, suit or proceedings at law or in equity by or before any court or public board or body pending or, solely to the best of its knowledge, threatened against the Landowner[s] (or any basis therefor) (a) seeking to restrain or enjoin the execution or delivery of Financing Documents, Declaration of Consent or Ancillary Documents to which the Landowner[s] is a party, (b) contesting or affecting the validity or enforceability of the Financing Documents, Declaration of Consent or Ancillary Documents, or any and all such other agreements or documents as may be required to be executed, or the transactions contemplated thereunder, (c) contesting or affecting the establishment or existence of the Landowner[s], or of the Landowner[s]'s business, assets, property or conditions, financial or otherwise, or contesting or affecting any of the powers of the Landowner[s]; or (d) which would materially and adversely affect the ability of the Landowner[s] to pay the Series 2018 Assessments imposed against the land within the District

owned by the Landowner[s] or materially and adversely affect the ability of the Landowner[s] to perform its various obligations described in the Limited Offering Memoranda.

13. To the best of its knowledge after due inquiry, the Landowner[s] is in compliance in all material respects with all provisions of applicable law in all material matters relating to the development of Assessment Area One as described in the Limited Offering Memoranda, including, without limitation, applying for all necessary permits. Except as otherwise described in the Limited Offering Memoranda (a) Assessment Area One is zoned and properly designated for its intended use; (b) all government permits other than certain permits, which permits are expected to be received as needed, have been received; (c) the Landowner[s] is not aware of any default of any zoning condition, permit or development agreement which would adversely affect the Landowner[s]'s ability to complete or cause the completion of Assessment Area One as described in the Limited Offering Memoranda and all appendices thereto; and (d) there is no reason to believe that any permits, consents and licenses required to complete Assessment Area One as described in the Limited Offering Memoranda will not be obtained as required.

14. The Landowner[s] acknowledges that it will have no rights under Chapter 170, Florida Statutes, as amended, to prepay, without interest, the Series 2018 Assessments imposed on its lands within Assessment Area One within thirty (30) days following completion of the 2018 Project and acceptance thereof by the District; provided, however, nothing herein shall limit the rights of property owners to prepay the Series 2018 Assessments with interest as set forth in the Assessment Proceedings.

15. Except as may be expressly disclosed in the Preliminary Limited Offering Memorandum, the Landowner[s] has never failed to comply with any continuing disclosure obligations undertaken by the Landowner[s] in accordance with the continuing disclosure requirements of the Rule.

16. The Landowner[s] is not insolvent and is not in default of any obligations to pay special assessments.

Dated: December \_\_, 2018

**[LALP DEVELOPMENT, LLC, a Florida  
limited liability company]**

By: \_\_\_\_\_  
\_\_\_\_\_, Manager

## EXHIBIT G

### CERTIFICATE OF AM ENGINEERING, INC.

AM ENGINEERING, INC. (the "Engineers"), DOES HEREBY CERTIFY, that:

1. This certificate is furnished pursuant to Section 8(c)(17) of the Bond Purchase Contract dated \_\_\_\_\_, 2018 (the "Purchase Contract"), by and between Toscana Isles Community Development District (the "District") and FMSbonds, Inc. with respect to the \$ \_\_\_\_\_ Toscana Isles Community Development District Special Assessment Revenue Bonds, Series 2018 (the "Bonds"). Capitalized terms used, but not defined, herein shall have the meaning assigned thereto in the Purchase Contract or the Preliminary Limited Offering Memorandum dated \_\_\_\_\_, 2018 (the "Preliminary Limited Offering Memorandum") and the Limited Offering Memorandum dated \_\_\_\_\_, 2018 (the "Limited Offering Memorandum" and, together with the Preliminary Limited Offering Memorandum, the "Limited Offering Memoranda"), as applicable.

2. The Engineers have been retained by the District to act as consulting engineers.

3. The plans and specifications for the 2018 Project (as described in the Limited Offering Memoranda) were approved by all regulatory bodies required to approve them. All environmental and other regulatory permits or approvals required in connection with the construction of 2018 Project were obtained.

4. The Engineers prepared the Report of the District Engineer dated March 28, 2018, as supplemented on \_\_\_\_\_, 2018 (collectively, the "Report"). The Report was prepared in accordance with generally accepted engineering principles. The Report is included as "APPENDIX A: ENGINEER'S REPORT" to the Limited Offering Memoranda, and a description of the Report and certain other information relating to the District's Capital Improvement Program and the 2018 Project is included in the Limited Offering Memoranda under the captions "THE CAPITAL IMPROVEMENT PROGRAM AND THE 2018 PROJECT" and "THE DEVELOPMENT." The Report and said information are true and complete in all material respects, contain no untrue statement of a material fact, and do not omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

5. The Engineers hereby consent to the inclusion of the Report as "APPENDIX A: ENGINEER'S REPORT" to the Limited Offering Memoranda and to the references to the Engineers in the Limited Offering Memoranda.

6. The 2018 Project, to the extent constructed, has been constructed in sound workmanlike manner and in accordance with industry standards.

7. The price being paid by the District to the Landowner[s] for acquisition of the improvements included within the 2018 Project does not exceed the lesser of the cost of the 2018 Project or the fair market value of the assets acquired by the District.

8. Except as otherwise described in the Limited Offering Memoranda, (a) all government permits required in connection with the construction of the development of the 2018 Project and Assessment Area One as described in the Limited Offering Memoranda have been received; (b) we are not aware of the any default of any zoning condition, land use permit or development agreement which would adversely affect the ability to complete development of the 2018 Project and Assessment Area One as described in the Limited Offering Memoranda and all appendices thereto; and (c) we have no actual knowledge and are not otherwise aware of any reason to believe that any permits, consents and licenses required to complete the development of the 2018 Project and Assessment Area One as described in the Limited Offering Memoranda will not be obtained in due course as required by the Landowner[s], or any other person or entity, necessary for the development of the 2018 Project and Assessment Area One as described in the Limited Offering Memoranda and all appendices thereto.

9. There is adequate water and sewer service capacity to serve Assessment Area One.

Date: December \_\_, 2018

**AM ENGINEERING, INC.**

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

## EXHIBIT H

### CERTIFICATE OF DISTRICT MANAGER AND METHODOLOGY CONSULTANT

WRATHELL, HUNT AND ASSOCIATES, LLC ("WRATHELL"), DOES HEREBY CERTIFY:

1. This certificate is furnished pursuant to Section 8(c)(18) of the Bond Purchase Contract dated \_\_\_\_\_, 2018 (the "Purchase Contract"), by and between Toscana Isles Community Development District (the "District") and FMSbonds, Inc. with respect to the \$\_\_\_\_\_ Toscana Isles Community Development District Special Assessment Revenue Bonds, Series 2018 (the "Bonds"). Capitalized terms used, but not defined, herein shall have the meaning assigned thereto in the Purchase Contract or the Preliminary Limited Offering Memorandum dated \_\_\_\_\_, 2018 (the "Preliminary Limited Offering Memorandum") and the Limited Offering Memorandum dated \_\_\_\_\_, 2018 (the "Limited Offering Memorandum" and, together with the Preliminary Limited Offering Memorandum, the "Limited Offering Memoranda") relating to the Bonds, as applicable.

2. Wrathell has acted as district manager and methodology consultant to the District in connection with the sale and issuance by the District of its Bonds and have participated in the preparation of the Limited Offering Memoranda.

3. In connection with the issuance of the Bonds, we have been retained by the District to prepare the [Master Special Assessment Methodology Report dated April 2, 2014, as supplemented by that Supplemental Special Assessment Report dated \_\_\_\_\_, 2018] (collectively, the "Assessment Methodology"), which Assessment Methodology has been included as an appendix to the Limited Offering Memoranda. We hereby consent to the use of such Assessment Methodology in the Limited Offering Memoranda and consent to the references to us therein.

4. As District Manager, nothing has come to our attention that would lead us to believe that the Limited Offering Memoranda, as they relate to the District, the 2018 Project, the Assessment Methodology, and any other information provided by us, as of their respective dates and as of this date, contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to be stated therein in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

5. The information set forth in the Limited Offering Memoranda under the headings "THE DISTRICT," "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS," "LITIGATION – The District," "CONTINGENT FEES," "FINANCIAL INFORMATION," "DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS," "CONTINUING DISCLOSURE," and in "APPENDIX D: ASSESSMENT METHODOLOGY REPORT" and in "APPENDIX F: FINANCIAL STATEMENTS" did not as of the respective dates of the Limited Offering Memoranda and does not as of the date hereof contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

6. To the best of our knowledge, there has been no change which would materially adversely affect the assumptions made or the conclusions reached in the Assessment Methodology and the considerations and assumptions used in compiling the Assessment Methodology are reasonable. The Assessment Methodology and the methodology set forth therein were prepared in accordance with all applicable provisions of Florida law.

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

8. The Series 2018 Assessments, as initially levied, and as may be reallocated from time to time as permitted by resolutions adopted by the District with respect to the Series 2018 Assessments, are sufficient to enable the District to pay the debt service on the Bonds through the final maturity thereof.

Dated: December \_\_, 2018

**WRATHELL, HUNT AND ASSOCIATES,  
LLC**, a Florida limited liability company

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

**PRELIMINARY LIMITED OFFERING MEMORANDUM DATED \_\_\_\_\_, 2018**

**NEW ISSUE - BOOK-ENTRY ONLY**  
**LIMITED OFFERING**

**NOT RATED**

*In the opinion of Bond Counsel (as hereinafter defined), under existing statutes, regulations, published rulings and court decisions, and assuming compliance by the District with the tax covenants described herein and the accuracy of certain representations included in the closing transcript for the Series 2018 Bonds (as hereinafter defined), interest on the Series 2018 Bonds is, under Section 103 of the Code (as hereinafter defined), excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax. See "TAX MATTERS" herein. Bond Counsel is further of the opinion that the Series 2018 Bonds and interest thereon are not subject to taxation under the laws of the State of Florida except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined in Chapter 220.*

\$ \_\_\_\_\_ \*

**TOSCANA ISLES COMMUNITY DEVELOPMENT DISTRICT  
(CITY OF VENICE, FLORIDA)  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018**

**Dated: Date of Delivery**

**Due: As set forth herein**

The Toscana Isles Community Development District Special Assessment Revenue Bonds, Series 2018 (the "Series 2018 Bonds"), are being issued by the Toscana Isles Community Development District (the "District" or "Issuer") only in fully registered form, without coupons, in current interest form, in denominations of \$5,000 and integral multiples in excess thereof. The Series 2018 Bonds will bear interest at the fixed rates set forth below, calculated on the basis of a 360-day year comprised of twelve 30-day months, payable semi-annually on each May 1 and November 1, commencing May 1, 2019. The Series 2018 Bonds, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC") of New York, New York. Purchases of beneficial interests in the Series 2018 Bonds will be made only in book-entry form. Accordingly, principal of and interest on the Series 2018 Bonds will be paid from the 2018 Trust Estate (as hereinafter defined) by U.S. Bank National Association, Fort Lauderdale, Florida, as trustee (the "Trustee") directly to DTC as the registered owner thereof. Disbursements of such payments to the DTC Participants (as hereinafter defined) is the responsibility of DTC and disbursements of such payments to the beneficial owners is the responsibility of DTC Participants and the Indirect Participants (as hereinafter defined), as more fully described herein. Any purchaser of a beneficial interest in a Series 2018 Bond must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive payment of the principal of and interest on such Series 2018 Bond. See "DESCRIPTION OF THE SERIES 2018 BONDS - Book-Entry System" herein.

The Series 2018 Bonds are being issued for the purposes of providing proceeds to: (i) finance the Cost of acquisition, construction, installation and equipping of a portion of the 2018 Project (as hereinafter defined) which 2018 Project will consist of "Assessable Improvements" providing special benefits to properties in Units 2 and 3 of the District; (ii) pay certain costs associated with the issuance of the Series 2018 Bonds; (iii) to pay a portion of the interest accruing on the Series 2018 Bonds; and (iv) fund the 2018 Reserve Account as herein provided. See "THE CAPITAL IMPROVEMENT PROGRAM AND THE 2018 PROJECT" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The District is a local unit of special purpose government of the State of Florida (the "State"), created and chartered by the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), and was established pursuant to the Act by Ordinance No. 2013-38 of the City of Venice, Florida (the "City") effective on December 10, 2013 (the "Ordinance"). The Series 2018 Bonds are being issued pursuant to the Act, Resolutions 2014-12 and 2018-\_\_\_ adopted by the Board of Supervisors (the "Board") of the District on February 18, 2014 and October 17, 2018, respectively, (the "Bond Resolution") and a Master Trust Indenture, dated as of October 1, 2014, as supplemented by a Second Supplemental Trust Indenture dated as of December 1, 2018 (collectively the "Indenture"), by and between the District and the Trustee. The Series 2018 Bonds are equally and ratably secured by the 2018 Trust Estate (as hereinafter defined), without preference or priority of one Series 2018 Bond over another. The 2018 Trust Estate consists of the revenues derived by the District from the Series 2018 Assessments (as hereinafter defined) levied and imposed pursuant to the Assessment Proceedings as the same may be amended from time to time (the "2018 Pledged Revenues") and the Funds and Accounts created under the Indenture (except for the 2018 Rebate Account and the 2018 Costs of Issuance Account) (the "2018 Pledged Funds"). The "Series 2018 Assessments" mean the Special Assessments (as defined in the Master Indenture) levied against properties within the District specially benefited by the 2018 Project all as described in the Assessment Proceedings. "Special Assessments" shall not include "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance special assessments" levied and collected by the District under Section 190.021(3) of the Act. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2018 BONDS" herein.

The Series 2018 Bonds are subject to optional redemption, mandatory sinking fund and extraordinary mandatory redemption prior to maturity. See "DESCRIPTION OF THE SERIES 2018 BONDS – Redemption Provisions" herein.

NEITHER THE SERIES 2018 BONDS NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF FLORIDA. THE SERIES 2018 BONDS AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN UPON ANY PROPERTY OF THE DISTRICT OTHER THAN AS PROVIDED IN THE INDENTURE. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE, OR THE SERIES 2018 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE, OR THE SERIES 2018 BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE 2018 PLEDGED REVENUES AND THE 2018 PLEDGED FUNDS PLEDGED TO THE SERIES 2018 BONDS, ALL AS PROVIDED IN THE SERIES 2018 BONDS AND IN THE INDENTURE.

This Preliminary Limited Offering Memorandum and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Limited Offering Memorandum constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Series 2018 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or exemption under the securities laws of such jurisdiction. The District has deemed this Preliminary Limited Offering Memorandum "final," except for permitted omissions, within the contemplation of Rule 15c2-12 promulgated by the Securities and Exchange Commission.

The Series 2018 Bonds involve a degree of risk (See "BONDOWNERS' RISKS" herein) and are not suitable for all investors (See "SUITABILITY FOR INVESTMENT" herein). The Series 2018 Bonds are not credit enhanced or rated and no application has been made for a rating with respect to the Series 2018 Bonds. The Series 2018 Bonds are being offered initially only to "Accredited Investors" within the meaning of Chapter 517, Florida Statutes, as amended, and the rules of the Florida Department of Financial Services promulgated thereunder. Such limitation does not denote restrictions on transfer in any secondary market for the Series 2018 Bonds.

This cover page contains information for quick reference only. It is not a summary of the Series 2018 Bonds. Investors must read the entire Limited Offering Memorandum to obtain information essential to the making of an informed investment decision.

MATURITY SCHEDULE

\$ \_\_\_\_\_ \* - \_\_\_\_\_ % Series 2018 Term Bond due November 1, 20\_\_\*, Price \_\_\_% CUSIP # \_\_\_\_\_\*\*  
\$ \_\_\_\_\_ \* - \_\_\_\_\_ % Series 2018 Term Bond due November 1, 20\_\_\*, Price \_\_\_% CUSIP # \_\_\_\_\_\*\*

The Series 2018 Bonds are offered for delivery when, as and if issued by the District and subject to the receipt of the approving legal opinion of Akerman LLP, Orlando, Florida, Bond Counsel. Certain legal matters will be passed upon for the District by its counsel, Straley Robin Vericker P.A., Tampa, Florida; for the [Developer (as hereinafter defined) and the Landowners (as hereinafter defined)] by their counsel, Williams, Parker, Harrison, Dietz & Getzen, Professional Association, Sarasota, Florida; and for the Underwriter by its counsel, GrayRobinson, P.A., Tampa, Florida. It is expected that the Series 2018 Bonds will be delivered in book-entry form through the facilities of DTC on or about December \_\_, 2018.

Dated: \_\_\_\_\_, 2018

**FMSbonds, Inc.**

\_\_\_\_\_  
\*Preliminary, subject to change.

\*\*The District is not responsible for the CUSIP numbers, nor is any representation made as to their correctness. The CUSIP numbers are included solely for the convenience of the readers of this Limited Offering Memorandum.

**TOSCANA ISLES COMMUNITY DEVELOPMENT DISTRICT**

**BOARD OF SUPERVISORS**

Samantha P. Hays\*, Chairperson  
Brian F. Watson\*, Vice-Chairperson  
Alexander Hays\*, Assistant Secretary  
Daniel Peshkin\*, Assistant Secretary  
John Peshkin\*, Assistant Secretary

\*Principal or affiliate of the Developer

**DISTRICT MANAGER / METHODOLOGY CONSULTANT**

Wrathell, Hunt and Associates, LLC  
Coconut Creek, Florida

**DISTRICT ENGINEER**

AM Engineering, Inc.  
Sarasota, Florida

**DISTRICT COUNSEL**

Straley Robin Vericker P.A.  
Tampa, Florida

**BOND COUNSEL**

Akerman LLP  
Orlando, Florida

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE DISTRICT TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS LIMITED OFFERING MEMORANDUM, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE DISTRICT. THIS LIMITED OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY OF THE SERIES 2018 BONDS AND THERE SHALL BE NO OFFER, SOLICITATION, OR SALE OF ANY SERIES 2018 BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE INFORMATION SET FORTH HEREIN HAS BEEN OBTAINED FROM THE DISTRICT, [THE DEVELOPER (AS HEREINAFTER DEFINED)] AND PUBLIC DOCUMENTS, RECORDS AND OTHER SOURCES, WHICH SOURCES ARE BELIEVED TO BE RELIABLE BUT WHICH INFORMATION IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS BY, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION OF, THE UNDERWRITER NAMED ON THE COVER PAGE OF THIS LIMITED OFFERING MEMORANDUM. THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS LIMITED OFFERING MEMORANDUM IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN CONTAINED ARE SUBJECT TO CHANGE WITHOUT NOTICE AND NEITHER THE DELIVERY OF THIS LIMITED OFFERING MEMORANDUM, NOR ANY SALE MADE HEREUNDER, SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE DISTRICT, THE [DEVELOPER OR THE LANDOWNERS (AS HEREINAFTER DEFINED)] OR THE STATUS OF THE DEVELOPMENT (AS HEREINAFTER DEFINED), OR THE 2018 PROJECT (AS HEREINAFTER DEFINED) SINCE THE DATE HEREOF.

THE SERIES 2018 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON CERTAIN EXEMPTIONS SET FORTH IN SUCH ACTS. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE SERIES 2018 BONDS IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF ANY JURISDICTIONS WHEREIN THESE SECURITIES HAVE BEEN OR WILL BE REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THE DISTRICT, THE CITY, THE COUNTY (AS HEREINAFTER DEFINED), THE STATE, NOR ANY OTHER POLITICAL SUBDIVISIONS THEREOF HAVE GUARANTEED OR PASSED UPON THE MERITS OF THE SERIES 2018 BONDS, UPON THE PROBABILITY OF ANY EARNINGS THEREON OR UPON THE ACCURACY OR ADEQUACY OF THIS LIMITED OFFERING MEMORANDUM.

"FORWARD-LOOKING STATEMENTS" ARE USED IN THIS DOCUMENT BY USING FORWARD LOOKING WORDS SUCH AS "MAY," "WILL," "SHOULD," "INTENDS," "EXPECTS," "BELIEVES," "ANTICIPATES," "ESTIMATES," OR OTHERS. THE READER IS CAUTIONED THAT FORWARD-LOOKING STATEMENTS ARE SUBJECT TO A VARIETY OF UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER FROM THE PROJECTED RESULTS. THOSE RISKS AND UNCERTAINTIES INCLUDE GENERAL ECONOMIC AND BUSINESS CONDITIONS, CONDITIONS IN THE FINANCIAL MARKETS AND REAL ESTATE MARKET, THE DISTRICT'S COLLECTION OF ASSESSMENTS, AND VARIOUS OTHER FACTORS WHICH MAY BE BEYOND THE DISTRICT'S AND/OR DEVELOPER'S CONTROL. BECAUSE THE DISTRICT AND THE DEVELOPER CANNOT PREDICT ALL FACTORS THAT MAY AFFECT FUTURE DECISIONS, ACTIONS, EVENTS, OR FINANCIAL CIRCUMSTANCES, WHAT ACTUALLY HAPPENS MAY BE DIFFERENT FROM WHAT IS INCLUDED IN FORWARD-LOOKING STATEMENTS.

THIS PRELIMINARY LIMITED OFFERING MEMORANDUM IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM ("ORIGINAL BOUND FORMAT") OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITES: [WWW.MUNIOS.COM](http://WWW.MUNIOS.COM) AND [WWW.EMMA.MSRB.ORG](http://WWW.EMMA.MSRB.ORG). THIS PRELIMINARY LIMITED OFFERING MEMORANDUM MAY BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR AS PRINTED IN ITS ENTIRETY DIRECTLY FROM SUCH WEBSITE.

THIS PRELIMINARY LIMITED OFFERING MEMORANDUM IS IN A FORM DEEMED FINAL BY THE DISTRICT FOR PURPOSES OF RULE 15C2-12 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT FOR CERTAIN INFORMATION PERMITTED TO BE OMITTED PURSUANT TO RULE 15C2-12(B)(1).

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## LIMITED OFFERING MEMORANDUM

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**TOSCANA ISLES COMMUNITY DEVELOPMENT DISTRICT  
(CITY OF VENICE, FLORIDA)  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018**

### INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page and appendices attached hereto, is to set forth certain information in connection with the offering for sale by the Toscana Isles Community Development District (the "District") of its \$ \_\_\_\_\_ \* Special Assessment Revenue Bonds, Series 2018 (the "Series 2018 Bonds").

PROSPECTIVE INVESTORS SHOULD BE AWARE OF CERTAIN RISK FACTORS, ANY OF WHICH, IF MATERIALIZED TO A SUFFICIENT DEGREE, COULD DELAY OR PREVENT PAYMENT OF PRINCIPAL OF AND/OR INTEREST ON THE SERIES 2018 BONDS. THE SERIES 2018 BONDS ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS. THE SERIES 2018 BONDS ARE BEING OFFERED INITIALLY ONLY TO "ACCREDITED INVESTORS" WITHIN THE MEANING OF CHAPTER 517, FLORIDA STATUTES, AND THE RULES OF THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES PROMULGATED THEREUNDER. SUCH LIMITATION DOES NOT DENOTE RESTRICTIONS ON TRANSFER IN ANY SECONDARY MARKET FOR THE SERIES 2018 BONDS. SEE "SUITABILITY FOR INVESTMENT" AND "BONDOWNERS' RISKS" HEREIN.

The District is a local unit of special purpose government of the State of Florida (the "State"), created and chartered by the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), and was established pursuant to the Act by Ordinance No. 2013-38 of the City of Venice, Florida (the "City") effective on December 10, 2013 (the "Ordinance"). The District was established for the purpose, among other things, of managing the acquisition, construction, maintenance, operation and financing of certain public infrastructure improvements and other public improvements within and as provided in the Act without its boundaries. For more complete information about the District, its Board of Supervisors and the District Manager, see "THE DISTRICT" herein.

The Series 2018 Bonds are being issued pursuant to the Act, the Florida Constitution, other applicable provisions of Florida law, Resolutions 2014-12 and 2018-\_\_ adopted by the Board of Supervisors (the "Board") of the District on February 18, 2014 and October 17, 2018, respectively, (the "Bond Resolution") and a Master Trust Indenture, dated as of October 1, 2014, as supplemented by a Second Supplemental Trust Indenture dated as of December 1, 2018 (collectively the "Indenture"), by and between the District and the Trustee. All capitalized terms used in this Limited Offering Memorandum that are defined in the Indenture and not defined herein shall have the respective meanings set forth in the Indenture. See "APPENDIX B: COPY OF MASTER INDENTURE AND PROPOSED FORM OF SECOND SUPPLEMENTAL INDENTURE " hereto.

The Series 2018 Bonds are equally and ratably secured by the 2018 Trust Estate (as hereinafter defined), without preference or priority of one Series 2018 Bond over another. The 2018 Trust Estate consists of the revenues derived by the District from the Series 2018 Assessments (as hereinafter defined)

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\* Preliminary, subject to change.

levied and imposed pursuant to the Assessment Proceedings as the same may be amended from time to time (the "2018 Pledged Revenues") and the Funds and Accounts created under the Indenture (except for the 2018 Rebate Account and the 2018 Costs of Issuance Account)(the "2018 Pledged Funds"). The "Series 2018 Assessments" mean the Special Assessments (as defined in the Master Indenture) levied against properties within the District especially benefited by the 2018 Project all as described in the Assessment Proceedings. "Special Assessments" shall not include "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance special assessments" levied and collected by the District under Section 190.021(3) of the Act. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2018 BONDS" herein.

The District contains a total of approximately 417.7 acres of land (the "District Lands") and is located entirely in the City. The District previously issued its Series 2014 Bonds (as hereinafter defined) to fund development of Unit 1. As of the date hereof, [insert status of Unit 1.] [\_\_\_\_\_ (the "Developer") developed Unit 1 and is now developing Unit 2 of the District. All of the lands in Unit 2 and 3 are owned by \_\_\_\_\_ (the "Landowner[s]).] See "THE DEVELOPER AND THE LANDOWNER[S]" herein for more information. [Insert description of allocation of assessments from method once received.]

The Series 2018 Bonds are being issued for the purposes of providing proceeds to: (i) finance the Cost of acquisition, construction, installation and equipping of a portion of the 2018 Project which 2018 Project will consist of "Assessable Improvements" providing special benefits to properties in Units 2 and 3 of the District; (ii) pay certain costs associated with the issuance of the Series 2018 Bonds; (iii) to pay a portion of the interest accruing on the Series 2018 Bonds; and (iv) fund the 2018 Reserve Account as herein provided. See "THE CAPITAL IMPROVEMENT PROGRAM AND THE 2018 PROJECT" and "ESTIMATED SOURCES AND USES OF FUNDS" herein. Unit 2 is planned for \_\_\_\_

There follows in this Limited Offering Memorandum a brief description of the District, the Development, [the Developer, the Landowners,] and summaries of the terms of the Series 2018 Bonds, the Indenture and certain provisions of the Act. All references herein to the Indenture and the Act are qualified in their entirety by reference to such documents and statute, and all references to the Series 2018 Bonds are qualified by reference to the definitive form thereof and the information with respect thereto contained in the Indenture. A copy of the Master Indenture and the proposed form of Second Supplemental Indenture appear as APPENDIX B hereto.

This Limited Offering Memorandum speaks only as of its date, and the information contained herein is subject to change.

## **DESCRIPTION OF THE SERIES 2018 BONDS**

### **General Description**

The Series 2018 Bonds are issuable only as registered bonds without coupons in current interest form in denominations of \$5,000 or any integral multiple thereof. The Series 2018 Bonds will mature, subject to the redemption provisions set forth herein, on the dates and in the amounts set forth on the cover page hereof.

Upon initial issuance, the ownership of the Series 2018 Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), and purchases of beneficial interests in the Series 2018 Bonds will be made in book-entry only form. The Fifth Supplemental Indenture provides that with respect to Series 2018 Bonds registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, the

District, the Trustee, the Bond Registrar and the Paying Agent shall have no responsibility or obligation to any such Bond Participant or to any Beneficial Owner. Without limiting the immediately preceding sentence, the District, the Trustee, the Bond Registrar and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Bond Participant with respect to any ownership interest in the Series 2018 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 2018 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 2018 Bonds. The District, the Trustee, the Bond Registrar and the Paying Agent may treat and consider the person in whose name each Series 2018 Bond is registered in the registration books kept by the Bond Registrar as the absolute owner of such Series 2018 Bond for the purpose of payment of principal, premium and interest with respect to such Series 2018 Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2018 Bond, for the purpose of registering transfers with respect to such Series 2018 Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium, if any, and interest on the Series 2018 Bonds only to or upon the order of the respective Owners, as shown in the registration books kept by the Bond Registrar, or their respective attorneys duly authorized in writing, as provided herein and all such payment shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal of, premium, if any, and interest on the Series 2018 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 2018 Bond evidencing the obligation of the District to make payments of principal, premium, if any, and interest pursuant to the provisions hereof. Upon delivery by DTC to the District of written notice to the effect that DTC has determined to substitute a new Nominee in place of Cede & Co., and subject to the provisions therein with respect to Record Dates, the words "Cede & Co." in the Fifth 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. See "DESCRIPTION OF THE SERIES 2018 BONDS – Book-Entry Only System" below for more information.

The Series 2018 Bonds will initially be sold only to "Accredited Investors" within the meaning of Chapter 517, Florida Statutes, as amended, and the rules of the Florida Department of Financial Services promulgated thereunder, although there is no limitation on resales of the Series 2018 Bonds. See "SUITABILITY FOR INVESTMENT" herein for more information.

U.S. Bank National Association is initially serving as the Trustee, Registrar and Paying Agent for the Series 2018 Bonds.

## **Redemption Provisions**

### **Optional Redemption**

The Series 2018 Bonds are subject to redemption at the option of the District prior to maturity, in whole or in part, on any date on or after November 1, \_\_\_\_ at the Redemption Price of 100% of the principal amount to be redeemed plus accrued interest to the Redemption Date.

### **Mandatory Sinking Fund Redemption**

The Series 2018 Bonds maturing November 1, \_\_\_\_\_ are subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2018 Sinking Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at a

Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, on November 1 of the years and in the principal amounts set forth below.

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

The Series 2018 Bonds maturing November 1, \_\_\_\_\_ are subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2018 Sinking Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, on November 1 of the years and in the principal amounts set forth below.

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

The Series 2018 Bonds maturing November 1, \_\_\_\_\_ are subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2018 Sinking Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, on November 1 of the years and in the principal amounts set forth below.

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

The Series 2018 Bonds maturing November 1, \_\_\_\_\_ are subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2018 Sinking Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, on November 1 of the years and in the principal amounts set forth below.



(iii) Amounts are deposited into the 2018 Prepayment Account from the prepayment of Series 2018 Assessments and from amounts deposited into the 2018 Prepayment Subaccount from other sources; or

(iv) When the amount on deposit in the 2018 Reserve Account, together with other moneys available therefor are sufficient to pay and redeem all the Series 2018 Bonds then Outstanding as provided in the Supplemental Indenture.

### **Notice of Redemption**

When required to redeem or purchase Series 2018 Bonds under any provision of the Indenture or directed to do so by the District, the Trustee shall cause notice thereof, to be mailed at least thirty (30) but not more than sixty (60) days prior to the redemption or purchase date to all Registered Owners of Series 2018 Bonds to be redeemed or purchased (as such Owners appear on the Bond Register on the fifth (5th) day prior to such mailing), at their registered addresses, but failure to mail any such notice or defect in the notice or in the mailing thereof shall not affect the validity of the redemption or purchase of the Series 2018 Bonds for which notice was duly mailed in accordance with the Indenture. The District shall, when it is directing the Trustee to mail such notice, provide written direction to the Trustee at least thirty (30) days (unless the Trustee agrees to a shorter period) prior to the date on which the Trustee is required to send notice under the Indenture. Except as otherwise provided in the Indenture, if less than all of the Series 2018 Bonds subject to redemption shall be called for redemption, the particular such Series 2018 Bonds or portions of such Series 2018 Bonds to be redeemed shall be selected by lot by the Registrar as provided in the Indenture.

### **Book-Entry System**

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2018 Bonds. The Series 2018 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2018 Bond certificate will be issued for each Series 2018 Bond, each in the aggregate principal amount of such issue, 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 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 highest rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Series 2018 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2018 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2018 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2018 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 Series 2018 Bonds, except in the event that use of the book-entry system for the Series 2018 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2018 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 Series 2018 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2018 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2018 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2018 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2018 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2018 Bond documents. For example, Beneficial Owners of Series 2018 Bonds may wish to ascertain that the nominee holding the Series 2018 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2018 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 Series 2018 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2018 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and interest payments on the Series 2018 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 Series 2018 Bonds at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2018 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, Series 2018 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.

## **SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2018 BONDS**

### **General**

NEITHER THE SERIES 2018 BONDS NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF FLORIDA. THE SERIES 2018 BONDS AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN UPON ANY PROPERTY OF THE DISTRICT OTHER THAN AS PROVIDED IN THE INDENTURE. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE, OR THE SERIES 2018 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE, OR THE SERIES 2018 BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE 2018 PLEDGED REVENUES AND THE 2018 PLEDGED FUNDS PLEDGED TO THE SERIES 2018 BONDS, ALL AS PROVIDED IN THE SERIES 2018 BONDS AND IN THE INDENTURE.

The Series 2018 Bonds are equally and ratably secured by the 2018 Trust Estate, without preference or priority of one Series 2018 Bond over another. The "2018 Trust Estate" consists of the revenues derived by the District from the Series 2018 Assessments (as hereinafter defined) levied and imposed pursuant to the Assessment Proceedings as the same may be amended from time to time (the "2018 Pledged Revenues") and the Funds and Accounts created under the Indenture (except for the 2018 Rebate Account and the 2018 Costs of Issuance Account)(the "2018 Pledged Funds"). The "Series 2018 Assessments" mean the Special Assessments (as hereinafter defined) levied against properties within the District especially benefited by the 2018 Project all as described in the Assessment Proceedings. "Special

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

The Series 2018 Assessments consist of the non-ad valorem special assessments imposed and levied by the District against the assessable lands within the District specially benefited by the 2018 Project or any portion thereof, pursuant to Section 190.022 of the Act, and the Assessment Proceedings (as defined in the Second Supplemental Indenture). Non-ad valorem assessments are not based on millage and are not taxes, but are a lien against the homestead as permitted in Section 4, Article X of the Florida State Constitution. The Series 2018 Assessments will constitute a lien against the land as to which the Series 2018 Assessments are imposed. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" herein.

The Series 2018 Assessments are levied, in an amount corresponding to the debt service on the Series 2018 Bonds, on the basis of benefit received on the assessable lands within the District as a result of the 2018 Project. The Assessment Methodology (as hereinafter defined), which describes the methodology for allocating the Series 2018 Assessments to the assessable lands within the District, is included as APPENDIX D hereto.

### **Limitation on Additional Debt**

In the Indenture, the District will covenant that, other than Refunding Bonds issued to refund all or a portion of Outstanding Series 2018 Bonds, the issuance of which as determined by the District results in present value debt service savings, the District shall not, while any Series 2018 Bonds are Outstanding, issue or incur any debt payable in whole or in part from the 2018 Trust Estate. In addition, the District will covenant not to issue any Bonds or other debt obligations secured by Special Assessments on assessable lands which are also encumbered by the Series 2018 Assessments for any capital project unless the Series 2018 Assessments have been Substantially Absorbed. "Substantially Absorbed" means the date at least [\_\_\_\_\_] percent ([\_]%) of the principal portion of the Series 2018 Assessments have been assigned to residential units that have received certificates of occupancy and all lots subject to the Series 2018 Assessments have been platted and developed. the Trustee and the District may rely on a certificate from the District Manager regarding the status of the residential units and the Series 2018 Assessments and in the absence of receipt of such certificate, may assume Substantial Absorption has not occurred.

The District and other public entities may impose taxes or other special assessments on the same properties encumbered by the Series 2018 Assessments without the consent of the Owners of the Series 2018 Bonds, and the District expects to continue to impose certain non-ad valorem special assessments called "maintenance assessments," which are of equal dignity with the Series 2018 Assessments on the same lands upon which the Series 2018 Assessments are imposed to fund a portion of the maintenance and operation costs of the District. See "BONDOWNERS' RISKS."

## **2018 Reserve Account**

The Indenture establishes a 2018 Reserve Account within the Debt Service Reserve Fund. The 2018 Reserve Account will, at the time of delivery of the Series 2018 Bonds, be funded in an amount equal to the 2018 Reserve Account Requirement. [The 2018 Reserve Account Requirement means \_\_\_% of the Maximum Annual Debt Service Requirement for the Series 2018 Bonds at the time of any such calculation (\$\_\_\_\_\_ on the dated date of the Series 2018 Bonds) provided, however, that on and after the date on which the Series 2018 Assessments have been Substantially Absorbed as evidenced by a certificate to such effect delivered to the Trustee from a Responsible Officer on which the Trustee may conclusively rely, the Series 2018 Reserve Account Requirement shall mean \_\_\_\_\_ percent (\_\_\_%) of the Maximum Annual Debt Service Requirement for the Series 2018 Bonds, as of the time of such calculation.]

Amounts on deposit in the 2018 Reserve Account except as provided in the Indenture shall be used only for the purpose of making payments into the 2018 Interest Account and the 2018 Sinking Account to pay the Series 2018 Bonds, without distinction as to Series 2018 Bonds and without privilege or priority of one Series 2018 Bond over another, when due when the moneys on deposit in such Accounts and available therefor are insufficient to make due payments on the Series 2018 Bonds.

The Trustee, on or before the fortieth (40<sup>th</sup>) day (or if such day is not a Business Day, on the Business Day next preceding such day) next preceding each Redemption Date, after taking into account all payments and transfers made as of such date, shall compute the value of the 2018 Reserve Account and shall promptly notify the District of the amount of any deficiency or surplus as of such date in such account. The District shall immediately pay the amount of any deficiency to the Trustee, for deposit in the 2018 Reserve Account, from the first legally available sources of the District. Any surplus in the 2018 Reserve Account (other than any surplus resulting from investment earnings) shall be deposited into the 2018 Prepayment Account.

Notwithstanding the foregoing; on the earliest date on which there is on deposit in the 2018 Reserve Account, sufficient monies, taking into account other monies available therefor, to pay and redeem all of the Outstanding Series 2018 Bonds, together with accrued interest on such Series 2018 Bonds to the earliest date of redemption, then the Trustee shall transfer to the 2018 Prepayment Account the amount on deposit in the 2018 Reserve Account to pay and redeem all of the Outstanding Series 2018 Bonds on the earliest such date.

The District may provide that the difference between the amounts on deposit in the 2018 Reserve Account and the 2018 Reserve Account Requirement shall be an amount covered by obtaining bond insurance or a surety bond issued by a municipal bond insurer, rated at the time of initial deposit to the 2018 Reserve Account in one of the two highest categories (at least "AA" by S&P or at least "Aa" by Moody's without reference to gradations) by one of such nationally recognized rating agencies (the "Reserve Account Credit Instrument"). At any time after the issuance of the Series 2018 Bonds, the District may withdraw any or all of the amount of money on deposit in the 2018 Reserve Account and substitute in its place a Reserve Account Credit Instrument as described above in the face amount of such withdrawal, and such withdrawn moneys shall, after payment of the premium for such Reserve Account Credit Instrument, be transferred prior to the Completion Date to the Subaccount in the 2018 Acquisition and Construction Account as directed by the District in writing on which direction the Trustee may conclusively rely and after the Completion Date shall be deposited to the 2018 Prepayment Account.

## **Flow of Funds**

Upon deposit of the revenues from the Series 2018 Assessments including the interest thereon with the Trustee, the District shall provide the Trustee a written accounting setting forth the amounts of such Series 2018 Assessments in the following categories which shall be deposited by the trustee into the Funds and Accounts established under the Indenture as follows: (i) Assessment Interest, which shall be deposited into the 2018 Interest Account; (ii) Assessment Principal, which shall be deposited into the 2018 Sinking Account; (iii) Prepayment Principal, which shall be deposited into the 2018 Prepayment Account; (iv) Delinquent Assessment Principal shall first be applied to restore the amount of any withdrawal, from the 2018 Reserve Account to pay the principal of Series 2018 Bonds to the extent that less than the 2018 Reserve Account Requirement is on deposit in the 2018 Reserve Account, and, the balance, if any, shall be deposited into the 2018 Sinking Account; (v) Delinquent Assessment Interest shall first be applied to restore the amount of any withdrawal, from the 2018 Reserve Account to pay the interest of Series 2018 Bonds to the extent that less than the 2018 Reserve Account Requirement is on deposit in the 2018 Reserve Account, and, the balance, if any, shall be deposited into the 2018 Interest Account; and (vi) the balance shall be deposited into the 2018 Revenue Account.

On each March 15, June 15, September 15 and December 15 (or if such day is not a Business Day, on the Business Day next preceding such day), next preceding each Redemption Date, the Trustee shall determine the amount on deposit in the 2018 Prepayment Account and, if the balance therein is greater than zero, shall transfer, but only after transferring sufficient amounts as directed by the District to pay amounts due on the Series 2018 Bonds on the next Interest Payment Date from the 2018 Revenue Account for deposit into such Prepayment Account, an amount sufficient to increase the amount on deposit therein to the next integral multiple of \$5,000, and, shall thereupon give notice and cause the extraordinary mandatory redemption of Series 2018 Bonds on the next succeeding Redemption Date in the maximum aggregate principal amount for which moneys are then on deposit in such Prepayment Account in accordance with the provisions for extraordinary redemption of Series 2018 Bonds as set forth in the Series 2018 Bonds. All interest due in regard to such prepayments shall be paid from the 2018 Interest Account or, if insufficient amounts are on deposit in the 2018 Interest Account to pay such interest then from the 2018 Revenue Account.

On each May 1 and November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such May 1 or November 1), the Trustee shall transfer from amounts on deposit in the 2018 Revenue Account to the Funds and Accounts designated below, the following amounts in the following order of priority:

FIRST, to the 2018 Interest Account of the Debt Service Fund, an amount equal to the amount of interest payable on all Series 2018 Bonds then Outstanding on such May 1 or November 1, less any other amount already on deposit in the 2018 Interest Account not previously credited;

SECOND, beginning on November 1, \_\_\_\_, and no later than the Business Day next preceding each November 1 thereafter while Series 2018 Bonds remain Outstanding, to the 2018 Sinking Fund Account, an amount equal to the Amortization Installment on the Series 2018 Bonds due on such November 1 or the principal maturing on such November 1, less any amount on deposit in the 2018 Sinking Fund Account not previously credited;

THIRD, to the 2018 Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the 2018 Reserve Account Requirement with respect to the 2018 Bonds; and

FOURTH, the balance shall be retained in the 2018 Revenue Account.

## **Investments**

Amounts on deposit in all of the Funds and Accounts and any subaccounts hereto therein held as security for the Series 2018 Bonds shall be invested only in 2018 Investment Obligations, and further, earnings on investments in the 2018 Acquisition and Construction Account and all subaccounts therein and the 2018 Cost of Issuance Account shall be retained as realized, in such Accounts and subaccounts and used for the purpose of such Accounts and subaccounts. Earnings on investments in the 2018 Revenue Account, 2018 Sinking Fund Account, the 2018 Interest Account and the 2018 Prepayment Account in the Bond Redemption Fund shall be deposited, as realized, to the credit of the 2018 Revenue Account and used for the purpose of such Account. All earnings on investments in the 2018 Reserve Account shall be deposited to the 2018 Revenue Account provided no deficiency exists in the 2018 Reserve Account and if a deficiency does exist earnings shall remain on deposit in the 2018 Reserve Account until the deficiency is cured. Such Account shall consist only of cash and 2018 Investment Obligations.

## **Covenant to Levy the Series 2018 Assessments**

The District will covenant to levy the Series 2018 Assessments and, unless the District collects the Series 2018 Assessments directly under the conditions set forth in the Indenture, to evidence and certify the same to the Tax Collector or shall cause the Property Appraiser to certify the same on the tax roll to the Tax Collector for collection by the Tax Collector and enforcement by the Tax Collector or the District pursuant to the Act, Chapter 170 or Chapter 197, Florida Statutes, or any successor statutes, as applicable, and the Indenture, to the extent and in an amount sufficient to pay debt service on all Outstanding Series 2018 Bonds.

If any Series 2018 Assessment shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or if the District shall be satisfied that any such Series 2018 Assessment is so irregular or defective that the same cannot be enforced or collected, or if the District shall have omitted to make such Series 2018 Assessment when it might have done so, the District has additionally covenanted to either (i) take all necessary steps to cause a new Series 2018 Assessment to be made for the whole or any part of such improvement or against any property benefited by such improvement or against the property benefited by said improvement; or (ii) in the District's sole discretion, make up the amount of such Series 2018 Assessment from legally available moneys, which moneys shall be deposited into the 2018 Revenue Account. In case such subsequent assessment shall also be annulled, the District shall obtain and make other Series 2018 Assessments until a valid Series 2018 Assessment shall be made.

## **Prepayment of Series 2018 Assessments**

[The owner of property subject to the Series 2018 Assessments may pay the principal balance of such Series 2018 Assessments, in whole at any time or in part one time, if there is also paid an amount equal to the interest that would otherwise be due on such balance to the earlier of the next succeeding November 1 or May 1, which is at least forty-five (45) days after the date of payment.]

Also, pursuant to the terms of the Act, the owner of property subject to Series 2018 Assessments may pay the entire balance of the Series 2018 Assessments remaining due, without interest, within thirty (30) days after the 2018 Project has been completed and the Board has adopted a resolution accepting the 2018 Project as provided by Section 170.09, Florida Statutes. [The Developer and the Landowners, which currently own all of the lands that will be subject to the Series 2018 Assessments], will waive this right for themselves and their respective successors and assigns in connection with the issuance of the Series 2018 Bonds.

All Prepayment Principal is to be deposited to the 2018 Prepayment Account to be applied to the extraordinary mandatory redemption of a portion of the Series 2018 Bonds as indicated under "DESCRIPTION OF THE SERIES 2018 BONDS – Redemption Provisions – Extraordinary Mandatory Redemption." The prepayment of Series 2018 Assessments does not entitle the owner of the property to a discount for early payment.

### **Indenture Provisions Relating to Bankruptcy or Insolvency of Landowner**

The Indenture will contain the following provisions which, pursuant to the Indenture, shall be applicable both before and after the commencement, whether voluntary or involuntary, of any case, proceeding or other action by or against any owner of any tax parcel subject to at least three percent (3%) of the Series 2018 Assessments pledged to the Series 2018 Bonds Outstanding (herein, an "Insolvent Taxpayer") under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, assignment for the benefit of creditors, or relief of debtors (a "Proceeding").

In the Indenture, the District will acknowledge and agree that, although the Series 2018 Bonds will be issued by the District, the Owners of such Series 2018 Bonds are categorically the party with the ultimate financial stake in the transaction and, consequently, the party with a vested and pecuniary interest in a Proceeding. In the event of any Proceeding involving any Insolvent Taxpayer: (i) the District will agree that it shall seek to secure the written consent of the Trustee, acting at the direction of the Majority Owners of the Series 2018 Bonds Outstanding, prior to making any election, giving any consent, commencing any action or filing any motion, claim, obligation, notice or application or in taking any other action or position in any Proceedings or in any action related to a Proceeding that affects, either directly or indirectly, the Series 2018 Assessments relating to the Series 2018 Bonds Outstanding, the Outstanding Series 2018 Bonds or any rights of the Trustee under the Indenture (provided, however, Trustee shall be deemed to have consented, on behalf of the Majority Owners of the Series 2018 Bonds Outstanding, to the proposed action if the District does not receive a written response from the Trustee within thirty (30) days following receipt by the Trustee of the written request for consent); (ii) the District will agree that it shall not make any election, give any consent, commence any action or file any motion, claim, obligation, notice or application or take any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the Series 2018 Assessments relating to the Series 2018 Bonds Outstanding, the Series 2018 Bonds Outstanding or any rights of the Trustee under the Indenture that are inconsistent with any written consent received (or deemed received) from the Trustee; (iii) the District will agree that it shall seek the written consent of the Trustee prior to filing and voting in any such Proceeding (provided, however, Trustee shall be deemed to have consented, on behalf of the Majority Owners of the Series 2018 Bonds Outstanding, to the proposed action if the District does not receive a written response from the Trustee within thirty (30) days following receipt by the Trustee of the written request for consent); (iv) the Trustee shall have the right, by interpleader or otherwise, to seek or oppose any relief in any such Proceeding that the District, as claimant with respect to the Series 2018 Assessments relating to the Series 2018 Bonds Outstanding would have the right to pursue, and, if the Trustee chooses to exercise any such rights, the District shall not oppose the Trustee in seeking to exercise any and all rights and taking any and all actions available to the District in connection with any Proceeding of any Insolvent Taxpayer, including without limitation, the right to file and/or prosecute and/or defend any claims and proofs of claims, to vote to accept or reject a plan, to seek dismissal of the Proceeding, to seek stay relief to commence or continue foreclosure or pursue any other available remedies as to the Series 2018 Assessments relating the Series 2018 Bonds Outstanding, to seek substantive consolidation, to seek to shorten the Insolvent Taxpayer's exclusivity periods or to oppose any motion to extend such exclusivity periods, to oppose any motion for use of cash collateral or for authority to obtain financing, to oppose any sale procedures motion or any sale motion, to propose a competing plan of reorganization or liquidation, or to make any election under Section 1111(b) of the Bankruptcy Code; and (v) the District shall not challenge the validity or amount of any claim submitted in good faith

in such Proceeding by the Trustee or any valuations of the lands owned by any Insolvent Taxpayer submitted in good faith by the Trustee in such Proceedings or take any other action in such Proceedings, which is adverse to Trustee's enforcement or the District's claim and rights with respect to the Series 2018 Assessments relating to the Series 2018 Bonds Outstanding or receipt of adequate protection (as that term is defined in the Bankruptcy Code). Without limiting the generality of the foregoing, the District agrees that the Trustee shall have the right (i) to file a proof of claim with respect to the Series 2018 Assessments pledged to the Series 2018 Bonds Outstanding, (ii) to deliver to the District a copy thereof, together with evidence of the filing with the appropriate court or other authority, and (iii) to defend any objection filed to said proof of claim.

Notwithstanding the provisions of the immediately preceding paragraphs, nothing in the immediately preceding paragraphs shall preclude the District from becoming a party to a Proceeding in order to enforce a claim for operation and maintenance Assessments, and the District shall be free to pursue such claim in such manner as it shall deem appropriate in its sole and absolute discretion. Any actions taken by the District in pursuance of its claim for operation and maintenance Assessments in any Proceeding shall not be considered an action adverse or inconsistent with the Trustee's rights or consents with respect to the Series 2018 Assessments relating to the Series 2018 Bonds Outstanding whether such claim is pursued by the District or the Trustee; provided, however, that the District shall not oppose any relief sought by the Trustee under the authority granted to the Trustee in clause (iv) or (v) above. See "BONDOWNERS' RISKS – Bankruptcy and Related Risks" herein.

#### **Events of Default and Remedies**

The Indenture provides that each of the following shall be an "Event of Default" under the Indenture, with respect to the Series 2018 Bonds:

(a) if payment of any installment of interest on any Series 2018 Bond is not made when it becomes due and payable;

(b) if payment of the principal or Redemption Price of any Series 2018 Bond is not made when it becomes due and payable at maturity or upon call or presentation for redemption;

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

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

(e) if the District defaults in the due and punctual performance of any other covenant in the Indenture or in any Series 2018 Bond and such default continues for sixty (60) days after written notice requiring the same to be remedied shall have been given to the District by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Holders of not less than a majority in aggregate principal amount of the Outstanding Series 2018 Bonds; provided, however, that if such performance requires work to be done, actions to be taken, or conditions to be remedied, which by their nature cannot reasonably be done, taken or remedied, as the case may be, within such sixty (60) day period, no Event of Default shall be deemed to have occurred or exist if, and so long as the District shall

commence such performance within such sixty (60) day period and shall diligently and continuously prosecute the same to completion;

(f) written notice shall have been received by the Trustee from a Credit Facility Issuer securing the Series 2018 Bonds that an event of default has occurred under the Credit Facility Agreement, or there shall have been a failure by said Credit Facility Issuer to make said Credit Facility available or to reinstate the interest component of said Credit Facility in accordance with the terms of said Credit Facility, to the extent said notice or failure is established as an event of default under the terms of a Supplemental Indenture;

(g) if at any time the amount in the 2018 Reserve Account therein is less than the 2018 Reserve Account Requirement as a result of the Trustee withdrawing an amount therefrom to satisfy the 2018 Reserve Account Requirement on the Series 2018 Bonds and such amount has not been restored within thirty (30) days of such withdrawal;

(h) Any portion of the Series 2018 Assessments pledged to the Series 2018 Bonds shall have become delinquent and, as the result thereof, the Indenture authorizes the Trustee to withdraw funds in an amount greater than twenty-five percent (25%) of the amount on deposit in 2018 Reserve Account to pay the Debt Service Requirements on the Series 2018 Bonds (regardless of whether the Trustee does or does not actually withdraw such funds from the 2018 Reserve Account to pay the Debt Service Requirements on the Series 2018 Bonds) (the foregoing being referred to as a "2018 Reserve Account Event") unless within sixty (60) days from the 2018 Reserve Account Event the District has either (i) replenished the amounts, if any, withdrawn from the 2018 Reserve Account or (ii) the portion of the delinquent Assessments giving rise to the 2018 Reserve Account Event are paid and are no longer delinquent Assessments; and

(i) More than fifteen percent (15%) of the operation and maintenance Assessments that are directly billed by the District and levied by the District on tax parcels subject to the Series 2018 Assessments are not paid by the date such are due and payable and such default continues for sixty (60) days after the date when due. The District shall give written notice to the Trustee of the occurrence of such event not later than 10 days after the end of the sixty day period referred to in the preceding sentence. The Trustee shall not be deemed to have knowledge of the occurrence of such an Event of Default absent notice thereof from the District.

No Series of Bonds issued under the Master Indenture shall be subject to acceleration. Upon an Event of Default, no optional redemption or extraordinary mandatory redemption of the Series 2018 Bonds pursuant to the Indenture shall occur unless all of the Series 2018 Bonds where an Event of Default has occurred will be redeemed or if 100% of the Holders of such Series 2018 Bonds agree to such redemption.

If any Event of Default with respect to the Series 2018 Bonds has occurred and is continuing, the Trustee, in its discretion may, and upon the written request of the Holders of not less than a majority of the aggregate principal amount of the Outstanding Series 2018 Bonds and receipt of indemnity to its satisfaction shall, in its own name: (a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Holders of the Series 2018 Bonds, including, without limitation, the right to require the District to carry out any agreements with, or for the benefit of, the Bondholders of the Series 2018 Bonds and to perform its or their duties under the Act; (b) bring suit upon the Series 2018 Bonds; (c) by action or suit in equity require the District to account as if it were the trustee of an express trust for the Holders of the Series 2018 Bonds; (d) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of the Series 2018 Bonds; and (e) by

other proceeding in law or equity, exercise all rights and remedies provided for by any other document or instrument securing such Series 2018 Bonds.

The Holders of a majority in aggregate principal amount of the Outstanding Series 2018 Bonds then subject to remedial proceedings under the Indenture shall have the right to direct the method and place of conducting all remedial proceedings by the Trustee under the Indenture, provided that such directions shall not be otherwise than in accordance with law or the provisions of the Indenture. No Bondholder shall have any right to pursue any remedy hereunder unless (a) the Trustee shall have been given written notice of an Event of Default, (b) the Holders of at least a majority of the aggregate principal amount of the Outstanding Series 2018 Bonds shall have requested the Trustee, in writing, to exercise the powers hereinabove granted or to pursue such remedy in its or their name or names, (c) the Trustee shall have been offered indemnity satisfactory to it against costs, expenses and liabilities, and (d) the Trustee shall have failed to comply with such request within a reasonable time.

The District will covenant and agree in the Second Supplemental Indenture that upon the occurrence and continuance of an Event of Default with respect to the Series 2018 Bonds, it will take such actions to enforce the remedial provisions of the Indenture, the provisions for the collection of delinquent Assessments that are directly billed and collected by the District, as well as delinquent direct billed operation and maintenance assessments, and the provisions for the foreclosure of liens of delinquent assessments that are directly billed and collected by the District, as well as delinquent direct billed operation and maintenance assessments, all in a manner consistent with the Master Indenture and this Second Supplemental Indenture. All Series 2018 Assessments that are billed and collected directly by the District shall be due and payable by the applicable landowner no later than thirty (30) days prior to each Interest Payment Date and shall become delinquent thereafter.

In the Second Supplemental Indenture the District will acknowledge and agree that, notwithstanding anything to the contrary in the Indenture, (i) upon failure of any property owner to pay when due any installment of Series 2018 Assessments that are billed directly by the District, that the entire Series 2018 Assessments levied on the property for which such installment of Series 2018 Assessments is due and unpaid, with interest and penalties thereon, shall immediately become due and payable as provided by applicable law and, with the written consent of the Trustee, acting at the direction of the Majority Owners of the Series 2018 Bonds Outstanding, the District shall promptly, but in any event within one hundred twenty (120) days of the receipt of such consent, cause to be brought the necessary legal proceedings for the foreclosure of liens of the delinquent Series 2018 Assessments, including interest and penalties and (ii) the foreclosure proceedings shall be prosecuted to a sale and conveyance of the property involved in said proceedings as now provided by law in suits to foreclose mortgages.

## **ENFORCEMENT OF ASSESSMENT COLLECTIONS**

### **General**

The primary source of payment for the Series 2018 Bonds is the Series 2018 Assessments imposed on certain lands in the District specially benefited by the Assessment Area One Project pursuant to the Assessment Proceedings. See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" herein and "APPENDIX D: ASSESSMENT METHODOLOGY."

The determination, order, levy, and collection of Series 2018 Assessments must be done in compliance with procedural requirements and guidelines provided by State law. Failure by the District, the Sarasota County Tax Collector (the "Tax Collector") or the Sarasota County Property Appraiser (the "Property Appraiser") to comply with such requirements could result in delay in the collection of, or the

complete inability to collect, Series 2018 Assessments during any year. Such delays in the collection of Series 2018 Assessments, or complete inability to collect the Series 2018 Assessments, would have a material adverse effect on the ability of the District to make full or punctual payment of the debt service requirements on such Series 2018 Bonds. To the extent that landowners fail to pay the Series 2018 Assessments, delay payments, or are unable to pay the same, the successful pursuance of collection procedures available to the District is essential to continued payment of principal of and interest on the Series 2018 Bonds. See "BONDOWNERS' RISKS" herein. The Act provides for various methods of collection of delinquent Series 2018 Assessments by reference to other provisions of the Florida Statutes. The following is a description of certain statutory provisions of assessment payment and collection procedures appearing in the Florida Statutes but is qualified in its entirety by reference to such statutes.

### **Alternative Uniform Tax Collection Procedure for Series 2018 Assessments**

Pursuant to the Indenture, the District shall collect the Series 2018 Assessments through the Uniform Method of Collection afforded by Chapter 197, Florida Statutes (the "Uniform Method"), except that, pursuant to the Indenture and the terms of the Assessment Resolutions, the District shall collect the Series 2018 Assessments directly in lieu of using the Uniform Method with respect to any assessable lands which have not yet been platted or when the timing for using the Uniform Method will not yet allow for using such method. Initially, the Developer and any subsequent landowners will directly pay the Series 2018 Assessments to the District. As District Lands within Assessment Area One are platted, the Series 2018 Assessments will be collected pursuant to the Uniform Method. At such time as the Series 2018 Assessments are collected pursuant to the Uniform Method, the provisions described under this heading shall become applicable. The Uniform Method of collection is available only in the event the District complies with statutory and regulatory requirements and enters into agreements with the Tax Collector and Property Appraiser providing for the Series 2018 Assessments to be levied and then collected in this manner. See "—Foreclosure" below with respect to collection of delinquent assessments not collected pursuant to the Uniform Method.

If the Uniform Method of collection is utilized, the Series 2018 Assessments will be collected together with County, special district, and other ad valorem taxes and non-ad valorem assessments, all of which will appear on the tax bill (also referred to as a "tax notice") issued to each landowner in the District. The statutes relating to enforcement of ad valorem taxes and non-ad valorem assessments provide that such taxes and assessments become due and payable on November 1 of the year when assessed, or as soon thereafter as the certified tax roll is received by the Tax Collector, and constitute a lien upon the land from January 1 of such year until paid or barred by operation of law. Such taxes and assessments (including the Series 2018 Assessments, if any, being collected by the Uniform Method) are to be billed, and landowners in the District are required to pay all such taxes and assessments, without preference in payment of any particular increment of the tax bill, such as the increment owing for the Series 2018 Assessments. Upon any receipt of moneys by the Tax Collector from the Series 2018 Assessments, such moneys will be delivered to the District, which will remit such Series 2018 Assessments to the Trustee for deposit to the Series 2018 Revenue Account within the Revenue Fund, except that any Prepayments of Series 2018 Assessments shall be deposited to the Series 2018 Prepayment Subaccount within the Series 2018 Bond Redemption Account of the Bond Redemption Fund created under the Indenture and applied in accordance therewith.

All County, school and special district, including the District, ad valorem taxes, non-ad valorem special assessments, including the Series 2018 Assessments, and voter-approved ad valorem taxes levied to pay principal of and interest on bonds, are payable at one time, except for partial payment schedules as may be provided by Sections 197.374 and 197.222, Florida Statutes. Partial payments made pursuant to Sections 197.374 and 197.222, Florida Statutes, are distributed in equal proportion to all taxing districts and levying authorities applicable to that account. If a taxpayer does not make complete payment of the

total amount, he or she cannot designate specific line items on his or her tax bill as deemed paid in full. In such cases, the tax Collector does not accept such partial payment and the partial payment is returned to the taxpayer. Therefore, in the event the Series 2018 Assessments are to be collected pursuant to the Uniform Method, any failure to pay any one line item, would cause the Series 2018 Assessments to not be collected to that extent, which could have a significant adverse effect on the ability of the District to make full or punctual payment of the debt service requirements on the Series 2018 Bonds. See "BONDOWNERS' RISKS – Other Taxes and Assessments."

Under the Uniform Method, if the Series 2018 Assessments are paid during November when due or during the following three months, the taxpayer is granted a variable discount equal to 4% in November and decreasing one percentage point per month to 1% in February. All unpaid taxes and assessments become delinquent on April 1 of the year following assessment. The Tax Collector is required to collect the ad valorem taxes and non-ad valorem special assessments on the tax bill prior to April 1 and, after that date, to institute statutory procedures upon delinquency to collect such taxes and assessments through the sale of "tax certificates," as discussed below. Delay in the mailing of tax notices to taxpayers may result in a delay throughout this process.

Neither the District nor the Underwriter can give any assurance to the holders of the Series 2018 Bonds (1) that the past experience of the Tax Collector with regard to tax and special assessment delinquencies is applicable in any way to the Series 2018 Assessments, (2) that future landowners and taxpayers in the District will pay such Series 2018 Assessments, (3) that a market may exist in the future for tax certificates in the event of sale of such certificates for taxable parcels within the District, and (4) that the eventual sale of tax certificates for real property within the District, if any, will be for an amount sufficient to pay amounts due under the Assessment Proceedings to discharge the lien of the Series 2018 Assessments and all other liens that are coequal therewith.

Collection of delinquent Series 2018 Assessments under the Uniform Method is, in essence, based upon the sale by the Tax Collector of "tax certificates" and remittance of the proceeds of such sale to the District for payment of the Series 2018 Assessments due. In the event of a delinquency in the payment of taxes and assessments on real property, the landowner may, prior to the sale of tax certificates, pay the total amount of delinquent ad valorem taxes and non-ad valorem assessments plus the cost of advertising and the applicable interest charge on the amount of such delinquent taxes and assessments. If the landowner does not act, the Tax Collector is required to attempt to sell tax certificates on such property to the person who pays the delinquent taxes and assessments owing, penalties and interest thereon and certain costs, and who accepts the lowest interest rate per annum to be borne by the certificates (but not more than 18%). Tax certificates are sold by public bid. If there are no bidders, the tax certificate is issued to the County. The County is to hold, but not pay for, the tax certificate with respect to the property, bearing interest at the maximum legal rate of interest (currently 18%). The Tax Collector does not collect any money if tax certificates are "struck off" (issued) to the County. The County may sell such certificates to the public at any time at the principal amount thereof plus interest at the rate of not more than 18% per annum and a fee. Proceeds from the sale of tax certificates are required to be used to pay taxes and assessments (including the Series 2018 Assessments), interest, costs and charges on the real property described in the certificate. The demand for such certificates is dependent upon various factors, which include the rate of interest that can be earned by ownership of such certificates and the underlying value of the land that is the subject of such certificates and which may be subject to sale at the demand of the certificate holder. Therefore, the underlying market value of the property within the District may affect the demand for certificates and the successful collection of the Series 2018 Assessments, which are the primary source of payment of the Series 2018 Bonds. Legal proceedings under Federal bankruptcy law brought by or against a landowner who has not yet paid his or her property taxes or assessments would likely result in a delay in the sale of tax certificates.

Any tax certificate in the hands of a person other than the County may be redeemed and canceled, in whole or in part (under certain circumstances), at any time before a tax deed is issued or the property is placed on the list of lands available for sale, at a price equal to the face amount of the certificate or portion thereof together with all interest, costs, charges and omitted taxes due. Regardless of the interest rate actually borne by the certificates, persons redeeming tax certificates must pay a minimum interest rate of 5%, unless the rate borne by the certificates is zero percent. The proceeds of such a redemption are paid to the Tax Collector who transmits to the holder of the tax certificate such proceeds less service charges, and the certificate is canceled. Redemption of tax certificates held by the County is effected by purchase of such certificates from the County, as described in the preceding paragraph.

Any holder, other than the County, of a tax certificate that has not been redeemed has seven years from the date of issuance of the tax certificate during which to act against the land that is the subject of the tax certificate. After an initial period ending two years from April 1 of the year of issuance of a certificate, during which period actions against the land are held in abeyance to allow for sales and redemptions of tax certificates, and before the expiration of seven years from the date of issuance, the holder of a certificate may apply for a tax deed to the subject land. The applicant is required to pay to the Tax Collector at the time of application all amounts required to redeem or purchase all outstanding tax certificates covering the land, plus interest, any omitted taxes or delinquent taxes and interest, and current taxes, if due. If the County holds a tax certificate on property valued at \$5,000 or more and has not succeeded in selling it, the County must apply for a tax deed two years after April 1 of the year of issuance of the certificate. The County pays costs and fees to the Tax Collector but not any amount to redeem any other outstanding certificates covering the land. Thereafter, the property is advertised for public sale.

In any such public sale conducted by the Clerk of the Circuit Court, the private holder of the tax certificate who is seeking a tax deed for non-homestead property is deemed to submit a minimum bid equal to the amount required to redeem the tax certificate, charges for the cost of sale, including costs incurred for the service of notice required by statute, redemption of other tax certificates on the land, and the amount paid by such holder in applying for the tax deed, plus interest thereon. In the case of homestead property, the minimum bid is also deemed to include, in addition to the amount of money required for the minimum bid on non-homestead property, an amount equal to one-half of the latest assessed value of the homestead. If there are no higher bids, the holder receives title to the land, and the amounts paid for the certificate and in applying for a tax deed are credited toward the purchase price. If there are other bids, the holder may enter the bidding. The highest bidder is awarded title to the land. The portion of proceeds of such sale needed to redeem the tax certificate, and all other amounts paid by such person in applying for a tax deed, are forwarded to the holder thereof or credited to such holder if such holder is the successful bidder. Excess proceeds are distributed first to satisfy governmental liens against the land and then to the former title holder of the property (less service charges), lienholder of record, mortgagees of record, vendees of recorded contracts for deeds, and other lienholders and any other person to whom the land was last assessed on the tax roll for the year in which the land was assessed, all as their interest may appear.

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

If there are no bidders at the public sale, the County may, at any time within ninety (90) days from the date of offering for public sale, purchase the land without further notice or advertising for a statutorily prescribed opening bid. After ninety (90) days have passed, any person or governmental unit may purchase the land by paying the amount of the opening bid. Ad valorem taxes and non-ad valorem assessments accruing after the date of public sale do not require repetition of the bidding process but are

added to the minimum bid. Three years from the date of delinquency, unsold lands escheat to the County in which they are located and all tax certificates and liens against the property are canceled and a deed is executed vesting title in the governing board of such County.

### **Foreclosure**

The following discussion regarding foreclosure is not applicable if the Series 2018 Assessments are being collected pursuant to the Uniform Method. In the event that the District itself directly levies and enforces, pursuant to Chapters 170 and 190, Florida Statutes, the collection of the Series 2018 Assessments levied on the land within the District, Chapter 170.10, Florida Statutes provides that upon the failure of any property owner to pay all or any part of the principal of a special assessment, including a Series 2018 Assessment, or the interest thereon, when due, the governing body of the entity levying the assessment is authorized to commence legal proceedings for the enforcement of the payment thereof, including commencement of an action in chancery, commencement of a foreclosure proceeding in the same manner as the foreclosure of a real estate mortgage, or commencement of an action under Chapter 173, Florida Statutes relating to foreclosure of municipal tax and special assessment liens. Such a proceeding is in rem, meaning that it is brought against the land not against the owner. In light of the one year tolling period required before the District may commence a foreclosure action under Chapter 173, Florida Statutes, it is likely the District would commence an action to foreclose in the same manner as the foreclosure of a real estate mortgage rather than proceeding under Chapter 173, Florida Statutes.

Enforcement of the obligation to pay Series 2018 Assessments and the ability to foreclose the lien of such Series 2018 Assessments upon the failure to pay such Series 2018 Assessments may not be readily available or may be limited as such enforcement is dependent upon judicial action which is often subject to discretion and delay.

### **BONDOWNERS' RISKS**

There are certain risks inherent in an investment in bonds issued by a public authority or governmental body in the State and secured by special assessments. Certain of these risks are described in other sections of this Limited Offering Memorandum. Certain additional risks are associated with the Series 2018 Bonds offered hereby and are set forth below. Prospective investors in the Series 2018 Bonds should have such knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of an investment in the Series 2018 Bonds and have the ability to bear the economic risks of such prospective investment, including a complete loss of such investment. This section does not purport to summarize all risks that may be associated with purchasing or owning the Series 2018 Bonds, and prospective purchasers are advised to read this Limited Offering Memorandum in its entirety for a more complete description of investment considerations relating to the Series 2018 Bonds.

#### **Concentration of Land Ownership**

As of the date of delivery of the Series 2018 Bonds, the Landowner[s] own[s] all of the assessable lands within the Assessment Area [use defined term from method], which are the lands that will be subject to the Series 2018 Assessments securing the Series 2018 Bonds. Payment of the Series 2018 Assessments is primarily dependent upon their timely payment by the Landowner[s] and the other future landowners in the Assessment Area. Non-payment of the Series 2018 Assessments by any of the landowners would have a substantial adverse impact upon the District's ability to pay debt service on the Series 2018 Bonds. See "[THE DEVELOPER AND THE LANDOWNER(S)]" AND "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2018 BONDS" herein.

## **Bankruptcy and Related Risks**

In the event of the institution of bankruptcy or similar proceedings with respect to the [Landowner[s]/Developer] or any other owner of benefited property, delays could occur in the payment of debt service on the Series 2018 Bonds, as such bankruptcy could negatively impact the ability of: (i) the [Landowner[s]/Developer] and any other landowner to pay the Series 2018 Assessments; (ii) the Tax Collector to sell tax certificates in relation to such property with respect to the Series 2018 Assessments being collected pursuant to the Uniform Method; and (iii) the District to foreclose the lien of the Series 2018 Assessments not being collected pursuant to the Uniform Method. In addition, the remedies available to the Owners of the Series 2018 Bonds under the Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, the remedies specified by federal, state and local law and in the Indenture and the Series 2018 Bonds, including, without limitation, enforcement of the obligation to pay Series 2018 Assessments and the ability of the District to foreclose the lien of the Series 2018 Assessments if not being collected pursuant to the Uniform Method, may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2018 Bonds (including Bond Counsel's approving opinion) will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery. The inability, either partially or fully, to enforce remedies available with respect to the Series 2018 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 Indenture provides for the delegation of certain rights from the District to the Trustee in the event of a bankruptcy or similar proceeding with respect to an Insolvent Taxpayer. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2018 BONDS – Indenture Provisions Relating to Bankruptcy or Insolvency of a Landowner." The District cannot express any view whether such delegation would be enforceable.

### **Series 2018 Assessments Are Non-Recourse**

The principal security for the payment of the principal and interest on the Series 2018 Bonds is the timely collection of the Series 2018 Assessments. The Series 2018 Assessments do not constitute a personal indebtedness of the landowners of the land subject thereto, but are secured by a lien on such land. There is no assurance that the [Landowner[s]/Developer] or subsequent landowners will be able to pay the Series 2018 Assessments or that they will pay such Series 2018 Assessments even though financially able to do so. Neither the [Landowner[s]/Developer] nor any other subsequent landowners have any personal obligation to pay the Series 2018 Assessments. Neither the [Landowner[s]/Developer] nor any subsequent landowners are guarantors of payment of any Series 2018 Assessments, and the recourse for the failure of the [Landowner[s]/Developer] or any subsequent landowner to pay the Series 2018 Assessments is limited to the collection proceedings against the land subject to such unpaid Series 2018 Assessments, as described herein. Therefore the likelihood of collection of the Series 2018 Assessments may ultimately depend on the market value of the land subject to the Series 2018 Assessments. While the ability of the [Landowner[s]/Developer] or subsequent landowners to pay the

Series 2018 Assessments is a relevant factor, the willingness of the [Landowner[s]/Developer] or subsequent landowners to pay the Series 2018 Assessments, which may also be affected by the value of the land subject to the Series 2018 Assessments, is also an important factor in the collection of Series 2018 Assessments. The failure of the [Landowner[s]/Developer] or subsequent landowners to pay the Series 2018 Assessments could render the District unable to collect delinquent Series 2018 Assessments, if any, and provided such delinquencies are significant, could negatively impact the ability of the District to make the full or punctual payment of debt service on the Series 2018 Bonds.

### **Regulatory and Environmental Risks**

The development of the District Lands is subject to comprehensive federal, state and local regulations and future changes to such regulations. Approval is required from various public agencies in connection with, among other things, the design, nature and extent of planned improvements, both public and private, and construction of the infrastructure in accordance with applicable zoning, land use and environmental regulations. Although all such approvals required to date have been received and any further approvals are anticipated to be received as needed, failure to obtain any such approvals in a timely manner could delay or adversely affect the completion of the development of the District Lands. See "THE DEVELOPMENT – Development Approvals," herein for more information.

The value of the land within the District, the success of the Development, the development of the Assessment Area and the likelihood of timely payment of principal and interest on the Series 2018 Bonds could be affected by environmental factors with respect to the land in the District. Should the land be contaminated by hazardous materials, this could materially and adversely affect the value of the land in the District, which could materially and adversely affect the success of the development of the lands within the District and the likelihood of the timely payment of the Series 2018 Bonds. The District has not performed, nor has the District requested that there be performed on its behalf, any independent assessment of the environmental conditions within the District. See "THE DEVELOPMENT – Environmental" for information on environmental site assessments obtained or received. Nevertheless, it is possible that hazardous environmental conditions could exist within the District or in the vicinity of the District and that such conditions could have a material and adverse impact upon the value of the benefited lands within the District. No assurance can be given that unknown hazardous materials, protected animals or vegetative species, etc., do not currently exist or may not develop in the future, whether originating within the District or from surrounding property, and what effect such may have on the development or sale of the lands in the Assessment Area.

The value of the lands subject to the Series 2018 Assessments could also be adversely impacted by flooding or wind damage caused by hurricanes, tropical storms, or other catastrophic events. In addition to potential damage or destruction to any existing development or construction in or near the District, such catastrophic events could potentially render the District Lands unable to support future development. The occurrence of any such events could materially adversely impact the District's ability to pay principal and interest on the Series 2018 Bonds. The Series 2018 Bonds are not insured, and the District's casualty insurance policies do not insure against losses incurred on private lands within its boundaries.

### **Economic Conditions and Changes in Development Plans**

The successful development of [Units 2 and 3] 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 [Landowner[s]/Developer]. Moreover, the [Landowner[s]/Developer] [has/have] the right to modify or change plans for development of the Development from time to time, including, without limitation, land

use changes, changes in the overall land and phasing plans, and changes to the type, mix, size and number of units to be developed, and may seek in the future, in accordance with and subject to the provisions of the Act, to contract or expand the boundaries of the District.

### **Other Taxes and Assessments**

The willingness and/or ability of an owner of benefited land to pay the Series 2018 Assessments could be affected by the existence of other taxes and assessments imposed upon such property by the District, the County or any other local special purpose or general purpose governmental entities. County, school, special district taxes and special assessments, and voter-approved ad valorem taxes levied to pay principal of and interest on debt, including the Series 2018 Assessments, collected pursuant to the Uniform Method are payable at one time. Public entities whose boundaries overlap those of the District could, without the consent of the owners of the land within the District, impose additional taxes on the property within the District. The District anticipates imposing operation and maintenance assessments encumbering the same property encumbered by the Series 2018 Assessments. In addition, lands within the District may also be subject to assessments by property owners' and homeowners' associations. See "THE DEVELOPMENT – Taxes, Fees and Assessments" for additional information.

Under Florida law, a landowner may contest the assessed valuation determined for its property that forms the basis of ad-valorem taxes such landowner must pay. During this contest period, the sale of a tax certificate under the Uniform Method will be suspended. If the Series 2018 Assessments are being collected along with ad valorem taxes pursuant to the Uniform Method, tax certificates will not be sold with respect to such Series 2018 Assessment, even though the landowner is not contesting the amount of the Series 2018 Assessment. However, Section 194.014, Florida Statutes, requires taxpayers challenging the assessed value of their property to pay all non-ad valorem taxes and at least 75% of their ad valorem taxes before they become delinquent. Likewise, taxpayers who challenge the denial of an exemption or classification or a determination that their improvements were substantially complete must pay all non-ad valorem assessments and the amount of ad valorem taxes that they admit in good faith to be owing. If a taxpayer fails to pay property taxes as set forth above, the Value Adjustment Board considering the taxpayer's challenge is required to deny such petition by written decision by April 20 of such year.

### **Limited Secondary Market for Series 2018 Bonds**

The Series 2018 Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Series 2018 Bonds in the event an Owner thereof determines to solicit purchasers for the Series 2018 Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Series 2018 Bonds may be sold. Such price may be lower than that paid by the current Owners of the Series 2018 Bonds, depending on the progress of development of the Development and the lands within the Assessment Area, as applicable, existing real estate and financial market conditions and other factors.

### **Inadequacy of Reserve Account**

Some of the risk factors discussed herein, which, if materialized, would result in a delay in the collection of the Series 2018 Assessments, may not adversely affect the timely payment of debt service on the Series 2018 Bonds because of the Reserve Account. The ability of the Reserve Account to fund deficiencies caused by delinquencies in the Series 2018 Assessments is dependent on the amount, duration and frequency of such deficiencies. Moneys on deposit in the Reserve Account may be invested in certain obligations permitted under the Indenture. Fluctuations in interest rates and other market factors could affect the amount of moneys in such Reserve Account to make up deficiencies. If the District has difficulty in collecting the Series 2018 Assessments, the Reserve Account could be rapidly

depleted and the ability of the District to pay debt service on the Series 2018 Bonds could be materially adversely affected. In addition, during an Event of Default under the Indenture, the Trustee may withdraw moneys from the Reserve Account and such other Funds, Accounts and subaccounts created under the applicable Indenture to pay its extraordinary fees and expenses incurred in connection with such Event of Default. If in fact the Reserve Account is accessed for any purpose, the District does not have a designated revenue source for replenishing such account. Moreover, the District may not be permitted to re-assess real property then burdened by the Series 2018 Assessments in order to provide for the replenishment of the Reserve Account. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE Series 2018 Bonds – Reserve Account" herein for more information about the Reserve Account.

### **Legal Delays**

If the District should commence a foreclosure action against a landowner for nonpayment of Series 2018 Assessments, such landowner and/or its mortgagee(s) may raise affirmative defenses to such foreclosure action. Although the District expects that such affirmative defenses would likely be proven to be without merit, they could result in delays in completing the foreclosure action. In addition, the District is required under the Indenture to fund the costs of such foreclosure. It is possible that the District will not have sufficient funds and will be compelled to request the Holders of the Series 2018 Bonds to allow funds on deposit under the Indenture to be used to pay the costs of the foreclosure action. Under the Code, there are limitations on the amounts of proceeds from the Series 2018 Bonds that can be used for such purpose.

### **IRS Examination and Audit Risk**

The Internal Revenue Service (the "IRS") routinely examines bonds issued by state and local governments, including bonds issued by community development districts. In 2016, the IRS concluded its lengthy examination of certain issues of bonds (for purposes of this subsection, the "Audited Bonds") issued by Village Center Community Development District (the "Village Center CDD"). During the course of the audit of the Audited Bonds, Village Center CDD received a ruling dated May 30, 2013, in the form of a non-precedential technical advice memorandum ("TAM") concluding that Village Center CDD is not a political subdivision for purposes of Section 103(a) of the Code because Village Center CDD was organized and operated to perpetuate private control and avoid indefinitely responsibility to an electorate, either directly or through another elected state or local government body. Such a conclusion could lead to the further conclusion that the interest on the Audited Bonds was not excludable from gross income of the owners of such bonds for federal income tax purposes. Village Center CDD received a second TAM dated June 17, 2015, which granted relief to Village Center CDD from retroactive application of the IRS's conclusion regarding its failure to qualify as a political subdivision. Prior to the conclusion of the audits, the Audited Bonds were all refunded with taxable bonds. The audit of the Audited Bonds that were issued for utility improvements were closed without change to the tax exempt status of those Audited Bonds on April 25, 2016, and the audit of the remainder of the Audited Bonds (which funded recreational amenity acquisitions from entities related to the principal landowner in the Village Center CDD) was closed on July 14, 2016, without the IRS making a final determination that the interest on the Audited Bonds in question was required to be included in gross income. However, the IRS letter to the Village Center CDD with respect to this second set of Audited Bonds noted that the Agency found that the Village Center CDD was not a "proper issuer of tax-exempt bonds" and that those Audited Bonds were private-activity bonds that did not fall in any of the categories that qualify for tax-exemption. Although the TAMs and the letters to the Village Center CDD from the IRS referred to above are addressed to, and binding only on, the IRS and Village Center CDD in connection with the Audited Bonds, they reflect the audit position of the IRS, and there can be no assurance that the IRS would not commence additional audits of bonds issued by other community development districts raising issues

similar to the issues raised in the case of the Audited Bonds based on the analysis set forth in the first TAM or on the related concerns addressed in the July 14, 2016 letter to the Village Center CDD.

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

It has been reported that the IRS has closed audits of other community development districts in Florida with no change to such districts' bonds' tax-exempt status, but has advised such districts that such districts must have public electors within the timeframe established by the applicable state law or their bonds may be determined to be taxable retroactive to the date of issuance. Pursuant to the Act, general elections are not held until the later of six years from the date of establishment of the community development district or the time at which there are at least 250 qualified electors in the district. The District, unlike Village Center CDD, was formed with the intent that it will contain a sufficient number of residents to allow for a transition to control by a general electorate. [Currently, all of the members of the Board of the District were elected by the landowners and none were elected by qualified electors.] The [Landowner[s]/Developer] will certify as to [its/their] expectations as to the timing of the transition of control of the Board of the District to qualified electors pursuant to the Act, and [its/their] expectations as to compliance with the Act by any members of the Board that [it/they] elect[s]. Such certification by the [Landowner[s]/Developer] does not ensure that such certification shall be determinative of, or may influence the outcome of any audit by the IRS, or any appeal from such audit, that may result in an adverse ruling that the District is not a political subdivision for purposes of Section 103(a) of the Code. Further, there can be no assurance that an audit by the IRS of the Series 2018 Bonds will not be commenced. The District has no reason to believe that any such audit will be commenced, or that any such audit, if commenced, would result in a conclusion of noncompliance with any applicable state or federal law.

Owners of the Series 2018 Bonds are advised that, if the IRS does audit the Series 2018 Bonds, under its current procedures, at least during the early stages of an audit, the IRS will treat the District as the taxpayer, and the Owners of the Series 2018 Bonds may have limited rights to participate in those proceedings. The commencement of such an audit could adversely affect the market value and liquidity of the Series 2018 Bonds until the audit is concluded, regardless of the ultimate outcome. In addition, in the event of an adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2018 Bonds, it is unlikely the District will have available revenues to enable it to contest such determination or enter into a voluntary financial settlement with the IRS. Further, an adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2018 Bonds would adversely affect the availability of any secondary market for the Series 2018 Bonds. Should interest on the Series 2018 Bonds become includable in gross income for federal income tax purposes, not only will Owners of Series 2018 Bonds be required to pay income taxes on the interest received on such Series

2018 Bonds and related penalties, but because the interest rate on such Series 2018 Bonds will not be adequate to compensate Owners of the Series 2018 Bonds for the income taxes due on such interest, the value of the Series 2018 Bonds may decline.

THE INDENTURE DOES NOT PROVIDE FOR ANY ADJUSTMENT IN THE INTEREST RATES ON THE SERIES 2018 BONDS IN THE EVENT OF AN ADVERSE DETERMINATION BY THE IRS WITH RESPECT TO THE TAX-EXEMPT STATUS OF INTEREST ON THE SERIES 2018 BONDS. PROSPECTIVE PURCHASERS OF THE SERIES 2018 BONDS SHOULD EVALUATE WHETHER THEY CAN OWN THE SERIES 2018 BONDS IN THE EVENT THAT THE INTEREST ON THE SERIES 2018 BONDS BECOMES TAXABLE AND/OR THE DISTRICT IS EVER DETERMINED TO NOT BE A POLITICAL SUBDIVISION FOR PURPOSES OF THE CODE AND/OR SECURITIES ACT (AS HEREINAFTER DEFINED).

### **Loss of Exemption from Securities Registration**

Since the Series 2018 Bonds have not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws, because of the exemption for political subdivisions, if the District is ever deemed by the IRS, judicially or otherwise, not to be a political subdivision for purposes of the Code, it is possible that federal or state regulatory authorities could also determine that the District is not a political subdivision for purposes of the federal and state securities laws. Accordingly, the District and purchasers of Series 2018 Bonds may not be able to rely on the exemption from registration under the Securities Act relating to securities issued by political subdivisions. In that event, the Owners of the Series 2018 Bonds would need to ensure that subsequent transfers of the Series 2018 Bonds are made pursuant to a transaction that is not subject to the registration requirements of the Securities Act.

### **Federal Tax Reform**

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2018 Bonds. In some cases these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Series 2018 Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2018 Bonds and their market value. No assurance can be given that additional legislative proposals will not be introduced or enacted that would or might apply to, or have an adverse effect upon, the Series 2018 Bonds. Prospective purchasers of the Series 2018 Bonds should consult their tax advisors as to the impact of any proposed or pending legislation as well as the impact of federal legislation enacted in December 2017. See also "TAX MATTERS."

### **State Tax Reform**

It is impossible to predict what new proposals may be presented regarding ad valorem tax reform and/or community development districts during upcoming legislative sessions, whether such new proposals or any previous proposals regarding the same will be adopted by the Florida Senate and House of Representatives and signed by the Governor, and, if adopted, the form thereof. On October 31, 2014, the Auditor General of the State released a 31-page report which requests legislative action to establish parameters on the amount of bonds a community development district may issue and provide additional oversight for community development district bonds. This report renews requests made by the Auditor General in 2011 that led to the Governor of the State issuing an Executive Order on January 11, 2012 (the "Executive Order") directing the Office of Policy and Budget in the Executive Office of the Governor

("OPB") to examine the role of special districts in the State. As of the date hereof, the OPB has not made any recommendations pursuant to the Executive Order nor has the Florida legislature passed any related legislation. It is impossible to predict with certainty the impact that any existing or future legislation will or may have on the security for the Series 2018 Bonds. It should be noted that Section 190.16(14) of the Act provides in pertinent part that "The state pledges to the holders of any bonds issued under the Act that it will not limit or alter the rights of the district to levy and collect the ... assessments... and to fulfill the terms of any agreement made with the holders of such bonds ... and that it will not impair the rights or remedies of such holders."

### **Insufficient Resources or Other Factors Causing Failure to Complete the [2018 Project] or the Construction of Homes within [the Assessment Area]**

The cost to finish the [2018 Project] [may/will] exceed the net proceeds from the Series 2018 Bonds. There can be no assurance, in the event the District does not have sufficient moneys on hand to complete the [2018 Project], that the District will be able to raise, through the issuance of additional bonds or otherwise, the moneys necessary to complete the [2018 Project]. Further, pursuant to the Indenture, the District covenants and agrees that the District shall not to issue any other Bonds or other debt obligations secured by Special Assessments on assessable lands within the Assessment Area for any capital project until the Series 2018 Assessments are Substantially Absorbed. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2018 BONDS – Additional Bonds" for more information.

Although the [respective] [Landowner[s]/Developer] will agree to fund or cause to be funded the completion of the [Project] regardless of the insufficiency of proceeds from the Series 2018 Bonds and will enter into a completion agreement with the District as evidence thereof, there can be no assurance that the [Landowner[s]/Developer] will have sufficient resources to do so. Such obligation of the [Landowner[s]/Developer] is an unsecured obligation[, and the [Landowner[s]/Developer] [is/are special-purpose entities] whose assets consist primarily of their respective interests in [the Assessment Area / District]]. See "[THE DEVELOPER AND THE LANDOWNER[S]]" herein for more information.

Further, there is a possibility that, even if the Assessment Area is developed, the Builder[s] may not close on all or any of the lots there, and such failure to close could negatively impact the construction of homes in the Assessment Area. The Builder Contract[s] may also be terminated by the Builder[s] upon the occurrence or failure to occur of certain conditions set forth therein. See "THE DEVELOPMENT – Builder Contract[s]" herein for more information about the Builder[s] and the Builder Contract[s] [Further, even if development of the Assessment Area is completed, there are no assurances that homes will be constructed and sold within the Assessment Area.

### **Payment of Series 2018 Assessments after Bank Foreclosure**

In the event a bank forecloses on property because of a default on a mortgage in favor of such bank on any of the assessable lands within the District, and then the bank itself fails, the Federal Deposit Insurance Corporation (the "FDIC"), as receiver, will then become the fee owner of such property. In such event, the FDIC will not, pursuant to its own rules and regulations, likely be liable to pay the Series 2018 Assessments levied on such property. In addition, the District would require the consent of the FDIC prior to commencing a foreclosure action.

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**ESTIMATED SOURCES AND USES OF FUNDS**

Source of Funds

Par Amount of Series 2018 Bonds	\$ _____
[Plus/Less: Net Original Issue Premium/Discount]	_____
Total Sources	\$ _____

Use of Funds

Deposit to 2018 Acquisition and Construction Account	\$ _____
Deposit to 2018 Reserve Account	_____
Costs of Issuance, including Underwriter's Discount <sup>(1)</sup>	_____
Total Uses	\$ _____

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(1) Costs of issuance includes, without limitation, legal fees and other costs associated with the issuance of the Series 2018 Bonds.

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## DEBT SERVICE REQUIREMENTS

The following table sets forth the scheduled debt service on the District's Series 2018 Bonds:

<u>Period</u> <u>(November 1)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt</u> <u>Service</u>
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### TOTALS

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\* Final maturity of the Series 2018 Bonds.

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## **THE DISTRICT**

### **General Information**

The District was created and chartered by the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), and was established pursuant to the Act by Ordinance No. 2013-38 of the City of Venice, Florida effective on December 10, 2013 (the "Ordinance") (the "Ordinance"). The District is located entirely within the City of Venice, Florida (the "City") and encompasses approximately 417.7 gross acres of land. The District is located north of Laurel Road, east of Knight's Trail Road and south of Gene Green Road. See "THE DEVELOPMENT" for more information regarding the development within and nearby the District.

### **Legal Powers and Authority**

The District is an independent unit of local government created pursuant to, and established in accordance with, the Act. The Act was enacted in 1980 to provide a uniform method for the establishment of independent districts to manage and finance basic community development services, including capital infrastructure required for community developments throughout the State 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 its general law charter. The District is classified as an independent district under Chapter 189, Florida Statutes.

Among other provisions, the Act gives the District's Board of Supervisors the authority to, among other things, (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, reclamation and reuse systems or any combination thereof and to construct and operate connecting intercept or outlet sewers and sewer mains and pipes and water mains, conduits, or pipelines in, along, and under any street, alley, highway, or other public place or ways, and to dispose of any effluent, residue, or other byproducts of such system or sewer system; (iii) District roads equal to or exceeding the specifications of the county in which such District roads are located and street lights, landscaping, hardscaping and undergrounding of electric utility lines; and (iv) with the consent of the local general-purpose government within the jurisdiction of which the power is to be exercised, parks and facilities for indoor and outdoor recreational uses and security; (b) borrow money and issue bonds of the District; (c) impose and foreclose special assessments 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 governments 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 2018 Bonds.

## Board of Supervisors

The Act provides that a five-member Board of Supervisors (the "Board") serves as the governing body of the District. Members of the Board (the "Supervisors") must be residents of the State and citizens of the United States. Initially, the Supervisors were appointed in the Ordinance. Within 90 days after formation of the District, an election was held pursuant to which new Supervisors were elected on an at-large basis by the owners of the property within the District. Ownership of land within the District entitles the owner to one vote per acre (with fractions thereof rounded upward to the nearest whole number). A Supervisor serves until expiration of his or her term and until his or her successor is chosen and qualified. If, during a term of office, a vacancy occurs, the remaining Supervisors may fill the vacancy by an appointment of an interim Supervisor for the remainder of the unexpired term.

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

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

The Act provides that it shall not be an impermissible conflict of interest under Florida law governing public officials for a Supervisor to be a stockholder, officer or employee of a landowner or of any entity affiliated with a landowner.

The current members of the Board, all of whom have been elected by qualified electors residing within the District, and the expiration of the term of each member are set forth below:

<b><u>Name</u></b>	<b><u>Title</u></b>	<b><u>Term Expires</u></b>
Samantha Hays*	Chairperson	November, 2018
Brian Watson*	Vice-Chairperson	November, 2020
Alexander Hays*	Assistant Secretary	November, 2020
Daniel Peshkin*	Assistant Secretary	November, 2018
John Peshkin*	Assistant Secretary	November, 2018

\*Principal or Affiliate of the Developer

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 Wrathell, Hunt and Associates, LLC, to serve as the District Manager. The District Manager's office is located at 6131 Lyons Road, Suite 100, Coconut Creek, Florida 33073. Telephone number 954-426-2105. The District Manager will also serve as the Methodology Consultant and Dissemination Agent for the Series 2018 Bonds.

The Act further authorizes the Board to hire such employees and agents as it deems necessary. The District has employed the services of Akerman LLP, Orlando, Florida, as Bond Counsel; AM Engineering, Inc., Sarasota, Florida, as the District's Consulting Engineer; and Straley Robin Vericker P.A., Tampa, Florida, as District Counsel.

### **Outstanding Bond Debt**

The District previously issued its Special Assessment Revenue Bonds, Series 2014 (the "Series 2014 Bonds") on October 6, 2014 in the original principal amount of \$10,360,000, of which \$\_\_\_\_\_ is currently outstanding. The Series 2014 Bonds are secured by special assessments levied on lands separate and distinct from the lands upon which the Series 2018 Assessments are levied that secure the Series 2018 Bonds.

[Remainder of page intentionally left blank.]

**THE CAPITAL IMPROVEMENT PROGRAM AND THE 2018 PROJECT**

The District previously issued its Series 2014 Bonds in the aggregate par amount of \$10,360,000 in October 2014 to provide funds to develop the 2014 Project, which included public infrastructure for Unit 1 of the District which is complete. Unit 1 has been developed and platted to contain 364 single-family lots and 56 multi-family units. See "THE DEVELOPMENT – Update on Unit 1 Lands" for more information.

In the District's Preliminary Engineer's Report dated \_\_\_\_\_, 2018 (the "Engineer's Report"), the District's Consulting Engineer sets forth the total costs estimated to complete the public infrastructure within the District at approximately \$\_\_\_\_\_ consisting of the following:

<b>Category</b>	<b>Unit 2</b>	<b>Unit 3</b>	<b>Total</b>
Clearing and Earthwork for Storm water			
Storm Water Management System			
Roadways, Sidewalks & Paths			
Utilities			
Gates & Entry Features			
Walls, Buffers & Landscaping			
Contingencies			
<b>Total Estimated Project Costs</b>			

As of \_\_\_\_\_, 2018, the Developer has spent \$\_\_\_\_\_ developing Unit 2 and \$\_\_\_\_\_ developing Unit 3, consisting of \_\_\_\_\_. The Series 2018 Bonds net proceeds, estimated to be \$14,460,000, will be used to construct and/or acquire future portions of the 2018 Project. The Developer and the Landowners will enter into a Funding and Completion agreement with the District at closing on the Series 2018 Bonds to fund and complete the public infrastructure for the District lands subject to the Series 2018 Assessments not previously covered with the proceeds of the Series 2018 Bonds. See "BONDOWNERS' RISKS – Insufficient Resources or Other Factors Causing Failure to Complete the [2018 Project] or the Construction of Homes within [the Assessment Area] herein.

The District Engineer has indicated that all permits necessary to construct the 2018 Project have been obtained or are expected to be obtained in the ordinary course. In addition to the Engineer's Report, please refer to "THE DEVELOPMENT – Development Approvals" for a more detailed description of the entitlement and permitting status of the Development.

**ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS**

Wrathell, Hunt and Associates, LLC, a Florida limited liability company (the "Methodology Consultant"), has prepared the [Master Assessment Methodology Report dated \_\_\_\_\_, as supplemented by the Supplemental Assessment Methodology Report dated \_\_\_\_\_, 2018] and included herein as APPENDIX D (collectively, the "Assessment Methodology"). The Assessment Methodology sets forth an overall method for allocating the Series 2018 Assessments to be levied against the lands within the District benefited by the 2018 Project and collected by the District as a result thereof. Once the final terms of the Series 2018 Bonds are determined, the Assessment Methodology will be revised to reflect such final terms. Once levied and imposed, the Series 2018 Assessments are a first lien on the land against which assessed until paid or barred by operation of law, co-equal with other taxes and assessments levied by the District, including the operation and maintenance assessments, and other units of government. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" herein.

The Series 2018 Bonds are payable from and secured solely by the Series 2018 Pledged Revenues, which consist primarily of the revenues received by the District from the Series 2018 Assessments. [TO BE UPDATED UPON RECEIPT OF METHOD: Initially, the Series 2018 Assessments will be levied on an equal acreage basis over all of the \_\_\_ acres within Unit 2 of the District. It is expected that the lien of the Series 2018 Assessments will be spread to the \_\_\_ gross acres in Unit 3 of the District following closing by the Landowner on such lands. Thereafter, as units are platted and assigned a parcel number, the debt will be transferred from gross acres in Units 2 and 3 to platted parcels on a first platted-first assigned basis in accordance with the Assessment Methodology. See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" herein. It is anticipated that the Series 2018 Assessments will be allocated (currently estimated at \_\_\_ residential units in Unit 2 and \_\_\_ residential units in Unit 3) will receive an apportionment of the total assessments for the Series 2018 Bonds. Upon platting of Unit 2 and Unit 3, the estimated Series 2018 Assessments levied and allocated to platted units to pay debt service on the Series 2018 Bonds and the estimated Series 2018 Bond par per unit are expected to be as follows:

<u>Product Type</u>	<u>No. of Units</u>	<u>Estimated Annual Series 2018 Assessment*/**</u>	<u>Series 2018 Bonds Par Per Unit*</u>
<i>Unit 2:</i>			
Single-Family 40'	176	\$1,646	\$22,742
Single-Family 50'	187	\$2,057	\$28,427
Single-Family 60'	99	\$2,468	\$34,112
Single-Family 74'	21	\$3,044	\$42,072
<i>Unit 3:</i>			
Multi-Family	<u>204</u>	\$1,028	\$14,213
<b>TOTAL</b>	<b>687</b>		

\* Preliminary, subject to change.

\*\* Includes \_\_\_% early payment discount allowance and \_\_\_% for collection.

In addition to the above, homeowners will also pay homeowners association fees which are expected to be approximately \$\_\_\_ per unit per month in fiscal year 2019. The District anticipates levying assessments to cover its administrative costs that will be approximately \$112.96 per single-family unit annually. The land within the District has been and is expected to continue to be subject to taxes and assessments imposed by taxing authorities other than the District. In addition to the above estimated Series 2018 Assessments and maintenance and operation assessments to be levied by the District, each homeowner in the District will also pay annual taxes, including local ad valorem property taxes. The total ad valorem millage rate applicable to the District Lands in tax year [2017] was approximately 16.9327 mills. In addition, exclusive of voter approved millages levied for general obligation bonds, as to which no limit applies, the County and the School District of Sarasota County, Florida may each levy ad valorem taxes upon the land in the District. The District has no control over the level of ad valorem taxes and/or special assessments levied by other taxing authorities. It is possible that in future years taxes levied by these other entities could be substantially higher than in the current year. See "BONDOWNERS RISKS" and "THE DEVELOPMENT – Taxes, Fees and Assessments" for more information, including proposed associations' assessments.

Set forth on [below/on the following page] is a map of the District showing the location of Units 1, 2 and 3 of the District.

[Insert map]

*The following information appearing below under the captions "THE DEVELOPMENT" and "THE DEVELOPER AND THE LANDOWNERS" has been furnished by the Developer for inclusion in this Limited Offering Memorandum and, although believed to be reliable, such information has not been independently verified by the District or its counsel, or the Underwriter or its counsel, and no person other than the Developer makes any representation or warranty as to the accuracy or completeness of such information supplied by it.*

*The following information is provided by the Developer as a means for the prospective bondholders to understand the anticipated development plan and risks associated with the Development. The obligations of the Developer and the Landowners to pay the Series 2018 Assessments are no greater than the obligation of any other subsequent landowner within the District subject to the Series 2018 Assessments. The Developer and the Landowners are not guarantors of payment as to any land within the District and the recourse for their failure to pay is limited to their respective ownership interests in the lands subject to such unpaid Series 2018 Assessments.*

## **THE DEVELOPMENT**

### **General**

The boundaries of the District include a total of approximately 417.7 acres of land (the "District Lands") located in the western portion of Sarasota County. The District Lands are being developed as a master-planned residential community known as "Toscana Isles" (the "Development"). The Development is located adjacent to Laurel Road in the City of Venice, approximately one mile east of Interstate 75. [Description of area.]

At build out, the Development is planned to contain approximately [847 single-family homes and 260 multi-family homes], together with amenities including a private clubhouse. The Development is being developed in Units. Unit 1, which has been completed, contains 364 single-family homes and 56 multi-family units. Unit 2, which corresponds to the lands currently subject to the Series 2018 Assessments, is planned for 483 single-family lots (of which \_\_\_ have been developed and platted). Unit 3, which is expected to be made subject to the Series 2018 Assessments following its acquisition by the Developer, is planned for 204 multi-family homes. [Describe location of MF?]

LALP Development, LLC, a Florida limited liability company (the "Developer") is installing the master and unit infrastructure for the Development and plans to sell finished lots to homebuilders. See "THE DEVELOPER AND THE LANDOWNERS" herein for more information. The Developer has entered into a contract of sale with D.R. Horton, Inc., a Delaware Corporation (the "D.R. Horton") to sell all 483 single-family lots planned for Unit 2 as finished lots in two takedowns. See "-Builder Contract and the Builder" below for more information. Home prices are expected to range from approximately \$\_\_\_\_\_ to \$\_\_\_\_\_. See "-Residential Product Offerings" herein for more information.

The District previously issued is Series 2014 Bonds in October 2014 in connection with the development of Unit 1, which lands are subject to the Series 2014 Assessments and are not subject to the Series 2018 Assessments securing the Series 2018 Bonds. The Series 2018 Bonds are secured by the Series 2018 Assessments which will initially be levied on the lands in Unit 2 of the Development and are expected to be levied on Unit 3 by \_\_\_\_\_, 2018. See "ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS" herein.

**Update on Unit 1 Lands**

Unit 1 has been developed and platted to contain 364 single-family lots and 56 multi-family units (consisting of one hundred eighty-one (181) 50-foot lots, one hundred fifty (150) 60-foot lots, twenty-six (26) 74-foot lots, seven (7) 80-foot lots and 56 multi-family lots). As of September 30, 2018, approximately \_\_\_ single-family residential homes and \_\_ multi-family homes have been constructed in Unit 1, of which \_\_\_ residential homes and \_\_ multi-family homes have been sold and closed to residential end users in Unit 1. D.R. Horton owns the remaining \_\_\_ lots in Unit 1. [Note: EMMA shows 654 lots planned for Unit 1 as of 6/30/18 vs. Engineer's Report?] The current status of land ownership, along with current sales prices, in Unit 1 is set forth in the chart below:

<b>Description</b>	<b>Developed &amp; Platted</b>	<b>Owned by Developer</b>	<b>Owned by Builders</b>	<b>Owned by End Users</b>	<b>Current Sales Price</b>
Single-Family 50'	—	—	—	—	\$__k - \$__k
Single-Family 60'	—	—	—	—	\$__k - \$__k
Single-Family 74'	—	—	—	—	\$__k - \$__k
Single-Family 80'	—	—	—	—	\$__k - \$__k
Multi-Family	—	—	—	—	\$__k - \$__k
<b>Total</b>	—	—	—	—	

**Land Acquisition**

An affiliate of the Developer, LALP Option 1, LLC (the "Landowner"), owns all of the land in Unit 2 and a portion of the land in Unit 3, which lands were acquired in December 2016 for a purchase price of approximately \$4,500,000. [Confirm mortgage status. - None of the lands in Unit 2 are currently subject to a mortgage.]

An affiliate of the Developer, \_\_\_\_\_, is under contract to acquire the remaining lands in Unit 3 for a purchase price of \$\_\_\_\_\_. Closing on such lands is expected to occur on or before \_\_\_\_\_. Following closing, the lien of the Series 2018 Assessments will be spread to Unit 3. [Confirm mortgage status. - None of the lands in Unit 3 are expected to be subject to a mortgage following closing.]

See "THE DEVELOPER AND THE LANDOWNERS" herein for more information regarding the Developer, the Landowners and their affiliates.

**Development Finance Plan**

The 2018 Project, which will be funded in part from proceeds of the Series 2018 Bonds, consists of that portion of the District's CIP associated with the development of Unit 2 [and Unit 3], together with the master improvements set forth in the Engineer's report for the Development. The estimated total cost to develop Unit 2 is approximately \$7,912,787 [and the estimated total cost to complete Unit 3 is approximately \$3,669,104]. Net proceeds of the Series 2018 Bonds will fund approximately \$\_\_ million of 2018 Project costs. The remaining costs to finish the 2018 Project will be funded with developer equity. The Developer and Landowner[s] will enter into a completion agreement at closing on the Series 2018 Bonds to fund and or cause to be funded the completion of the 2018 Project, as well as private infrastructure to complete development of Unit 2 [and Unit 3], to the extent the proceeds of the Series 2018 Bonds are insufficient. See "-Developer Agreements" below and "BONDOWNERS' RISKS – Insufficient Resources or Other Factors Causing Failure to Complete the 2018 Project or the Construction of Homes within the Lands Subject to the Series 2018 Assessments" herein. As of \_\_\_\_\_, 2018, the Developer and its affiliates have spent approximately \$\_\_ million on the development of Unit 2.

**Development Status**

The Development is being developed in phases. Unit 1, which was the first phase of development in the District [has been completed]. See "-Update on Unit 1 Lands" above.

Unit 2, which is the second phase of the District, is planned for 483 single-family lots. Development of Unit 2 commenced in \_\_\_\_ 20\_\_ and is expected to be complete in \_\_\_\_20\_\_ . Unit 3, which is the final phase of development in the District, is planned for 204 multi-family units. The Developer expects that land development in Unit 3 will commence in \_\_\_\_ 20\_\_ and be completed in \_\_\_\_ 20\_\_.

**Residential Product Offerings**

The following table reflects the Developer's current expectations for the neighborhoods to be constructed in the 2018 Project along with estimated number of bedrooms and bathrooms, estimated square footage, estimated starting lot prices and estimated home prices, all of which are subject to change. [Separate into Unit 2 and Unit 3?]

<b><u>Product Type</u></b>	<b><u>Estimated Beds/Baths</u></b>	<b><u>Estimated Square Footage</u></b>	<b><u>Estimated Lot Prices</u></b>	<b><u>Estimated Home Prices</u></b>
Single-Family 40' Lots	___/___	_____ - _____	\$ _____	\$ _____ - \$ _____
Single-Family 50' Lots	___/___	_____ - _____	\$ _____	\$ _____ - \$ _____
Single-Family 60' Lots	___/___	_____ - _____	\$ _____	\$ _____ - \$ _____
Single-Family 74' Lots	___/___	_____ - _____	\$ _____	\$ _____ - \$ _____
Multi-Family	___/___	_____ - _____	\$ _____	\$ _____ - \$ _____

The Development currently maintains a sales center which [contains / will contain] four furnished model homes [expected to be completed by \_\_\_\_ 20\_\_]. The Developer anticipates that approximately \_\_ to \_\_ homes will be sold and closed with end users per year in the Development until sellout. These anticipated absorption rates are based upon estimates and assumptions made by the Developer that are inherently uncertain, though considered reasonable by the Developer, and are subject to significant business, economic, and competitive uncertainties and contingencies, all of which are difficult to predict and many of which are beyond the control of the Developer. As a result, there can be no assurance such absorption rates will occur or be realized in the time frames anticipated.

**Builder Contract and the Builder**

The Developer entered into a Contract of Sale dated July 10, 2018 (the "Builder Contract") with D.R. Horton, Inc., a Delaware corporation ("D.R. Horton"), to purchase all 483 single-family lots in Unit 2, consisting of 176 forty-foot (40') single-family lots, 187 fifty-foot (50') single-family lots, 99 sixty-foot (60') single-family lots and 21 seventy-four-foot (74') single-family lots. Under the Builder Contract, the aggregate purchase price for the lots is \$41,295,500, consisting of the purchase of 255 lots for \$20,892,500 at the First Closing and 228 lots for \$20,403,000 at the Second Closing, subject to adjustment as set forth in the Builder Contract. Pursuant to the terms of the Builder Contract, D.R. Horton has made a deposit of [\$6,194,325] into escrow, which deposit will be applicable to the purchase price.

The Builder Contract provides for the First Closing to occur within 15 days of certain closing conditions being met but no later than September 15, 2020 and the Second Closing to occur within 18 months thereafter. The Developer anticipates that the First Closing will occur in \_\_\_\_\_. There is a risk that D.R. Horton may not close on any lots pursuant to the Builder Contract or may fail to construct homes on such lots. See "BONDOWNERS' RISKS – Insufficient Resources or Other Factors causing Failure to Complete the Series 2018 Project or the Construction of Homes within the Lands Subject to the Series 2018 Assessments" herein.

D.R. Horton, Inc. is a Delaware corporation that has homebuilding operations in twenty-six states and seventy-seven markets in the United States. D.R. Horton's stock trades on the New York Stock Exchange under the symbol DHI. D.R. Horton is subject to the informational requirements of the Securities and Exchange Commission Act of 1934, as amended, and in accordance therewith files reports, proxy statements, and other information with the Securities and Exchange Commission (the "SEC"). The SEC file number for D.R. Horton is No-1-14122. Such reports, proxy statements, and other information can be inspected and copied at the Public Reference Section of the SEC, Room 1024, 450 Fifth Street NW, Judiciary Plaza, Washington, DC. Copies of such materials can be obtained by mail from the Public Reference Section of the SEC at prescribed rates. All documents subsequently filed by D.R. Horton pursuant to the requirements of the Securities and Exchange Commission Act of 1934 after the date of this Limited Offering Memorandum will be available for inspection in the same manner as described above.

*D.R. Horton is not guaranteeing payment of the Series 2018 Bonds or the Series 2018 Assessments. D.R. Horton has not guaranteed or assumed any of the Developer's or Landowners' obligations incurred in connection with the issuance of the Series 2018 Bonds.*

### **Development Approvals**

[UPDATE FOR 2018: The Development has received all required site development permits and approvals, including the necessary permits from the Southwest Florida Water Management District and the United States Army Corps of Engineers. The Development received zoning approval by the County as a Planned Development. Development of a maximum of 1,714 dwelling units is permitted. Pursuant to the Planned Unit Development approval, the Developer is required to construct a northbound right turn lane into the Development at the time of construction of the northern entry which is currently estimated to occur in August 2019. Prior to the issuance of a certificate of occupancy for the 600<sup>th</sup> single-family equivalent unit, the Developer is required to conduct a traffic signal warrant study for the Development's main entry. The District Engineer will certify at the closing of the issuance of the Series 2018 Bonds that all permits necessary to construct the public infrastructure for the District as set forth in the Engineer's Report have been or will be received in the ordinary course.]

[Notes state that construction plans have not been finalized or approved.]

See "BONDOWNERS' RISKS – Regulatory and Environmental Risks" herein for more information regarding potential regulatory risks.

### **Environmental**

An affiliate of the Developer obtained a Phase 1 Environmental Site Assessment dated November 18, 2010 from Steele Environmental Consulting, Inc. (the "ESA"). The ESA covered 407 acres of District Lands and revealed no recognized environmental conditions ("RECs"). A separate Environmental Site Assessment Report was prepared in March 2002 which covered the remaining District Lands, which also

revealed no RECs. See "BONDOWNERS' RISKS – Regulatory and Environmental Risks" herein for more information regarding potential environmental risks.

**Amenities**

[UPDATE: The Development contains an approximately 7,500-square foot clubhouse, which includes a fitness center and arts and crafts room, as well as a pool, play area, bocce courts, and tennis courts (the "Amenities"). The Amenities were completed in \_\_\_\_\_, 2016 at a total cost of \$\_\_\_\_\_.] The Amenities were not funded by the District and will be owned and operated by [the Developer / the HOA.]

**Utilities**

[The City will provide water service to the Development. The City and the County will provide sewer service to the Development. Electric Service will be provided by Florida Power & Light. The City has indicated that it will make utilities available for 1,107 ERU's in the Development.]

**Taxes, Assessments and Fees**

[TO BE UPDATED UPON RECEIPT OF METHOD: Initially, the Series 2018 Assessments will be levied on an equal acreage basis over all of the \_\_\_\_ acres within Unit 2 of the District. It is expected that the lien of the Series 2018 Assessments will be spread to the \_\_\_\_ gross acres in Unit 3 of the District following closing by the Landowner on such lands. Thereafter, as units are platted and assigned a parcel number, the debt will be transferred from gross acres in Units 2 and 3 to platted parcels on a first platted-first assigned basis in accordance with the Assessment Methodology. See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" herein. It is anticipated that the Series 2018 Assessments will be allocated (currently estimated at \_\_\_\_\_ residential units in Unit 2 and \_\_\_\_\_ residential units in Unit 3) will receive an apportionment of the total assessments for the Series 2018 Bonds. Upon platting of Unit 2 and Unit 3, the estimated Series 2018 Assessments levied and allocated to platted units to pay debt service on the Series 2018 Bonds and the estimated Series 2018 Bond par per unit are expected to be as follows:

<u>Product Type</u>	<u>No. of Units</u>	<u>Estimated Annual Series 2018 Assessment*/**</u>	<u>Series 2018 Bonds Par Per Unit*</u>
<i>Unit 2:</i>			
Single-Family 40'	176	\$1,646	\$22,742
Single-Family 50'	187	\$2,057	\$28,427
Single-Family 60'	99	\$2,468	\$34,112
Single-Family 74'	21	\$3,044	\$42,072
<i>Unit 3:</i>			
Multi-Family	<u>204</u>	\$1,028	\$14,213
<b>TOTAL</b>	<b>687</b>		

\* Preliminary, subject to change.

\*\* Includes \_\_% early payment discount allowance and \_\_% for collection.

In addition to the above, homeowners will also pay homeowners association fees which are expected to be approximately \$\_\_\_\_ per unit per month in fiscal year 2019. The District anticipates levying assessments to cover its administrative costs that will be approximately \$112.96 per single-family unit annually. The land within the District has been and is expected to continue to be subject to taxes and assessments imposed by taxing authorities other than the District. In addition to the above estimated

Series 2018 Assessments and maintenance and operation assessments to be levied by the District, each homeowner in the District will also pay annual taxes, including local ad valorem property taxes. The total ad valorem millage rate applicable to the District Lands in tax year [2017] was approximately 16.9327 mills. In addition, exclusive of voter approved millages levied for general obligation bonds, as to which no limit applies, the County and the School District of Sarasota 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.

## **Education**

School-age residents of the Development are expected to attend Laurel Nokomis Elementary School, Laurel Nokomis Middle School and Venice High School, which are located approximately two miles, two miles and seven miles away from the Development, respectively, which each received a grade of "A" from the State in 2018 (the most recent year for which grades are available). The Sarasota County School Board may change school boundaries from time to time and there is no requirement that students residing in the Development be permitted to attend the schools which are closest to the Development.

## **Competition**

[In addition to the other phases within the Development, homes in Unit 2 and Unit 3 are expected to compete with projects the western Sarasota County market generally, which include Venetian Golf and River Club, the Villages of Milano and Laurel Lakes, Sarasota National, Island Walk, Grand Paradiso and Grand Palm. The foregoing does not purport to summarize all of the existing or planned communities in the area of the Development.]

## **Developer Agreements**

As previously noted, the [Developer and Landowner] will enter into a completion agreement that will obligate the Developer to complete any portions of the 2018 Project not funded with proceeds of the Series 2018 Bonds. In addition, the [Developer and Landowner] will execute and deliver to the District a Collateral Assignment and Assumption of Development Rights (the "Collateral Assignment"), pursuant to which the Developer will collaterally assign to the District, to the extent assignable and to the extent that they are solely owned or controlled by the Developer, development rights relating to the Series 2018 Project and the development of Unit 2 [and Unit 3]. Notwithstanding such Collateral Assignment, in the event the District forecloses on the lands subject to the Series 2018 Assessments as a result of the Landowner's or subsequent landowners' failure to pay such assessments, there is a risk that the District will not have all permits and entitlements necessary to complete the 2018 Project or the development of Unit 2 and Unit 3 [Discuss collateral assignment with respect to Unit 3]. Finally, the [Developer and Landowner] will also enter into a True-Up Agreement in connection with their obligations to pay true-up payments in the event that debt levels remaining on unplatted or re-platted lands in Unit 2 and Unit 3 increase above the maximum debt levels set forth in the Assessment Methodology. See "APPENDIX D: ASSESSMENT METHODOLOGY" herein for additional information regarding the "true-up mechanism." Such obligations of the Developer and Landowner are unsecured obligations, and the Developer and Landowner are each special-purpose entities whose assets consist primarily of their respective interests in Unit 2 and Unit 3. See "BONDOWNERS' RISKS – Insufficient Resources or Other Factors Causing Failure to Complete the 2018 Project or the Construction of Homes within the Lands Subject to the Series 2018 Assessments" and "THE DEVELOPER AND THE LANDOWNER" herein for more information regarding the Developer and the Landowner.

## THE DEVELOPER AND THE LANDOWNERS

### General Overview

LALP Development, LLC (the "Developer") is installing the master and unit infrastructure for the Development and plans to sell finished lots to homebuilders. See "–The Developer" below for more information. All of the land in Unit 2 of the District and a portion of the land in Unit 3 of the District is owned by an affiliate of the Developer, LALP Option 1, LLC (the "Landowner"). [The Landowner / An affiliate of the Landowner] is under contract to acquire the remaining lands in Unit 3 of the District. See "–The Landowner" below for more information.

The Developer and the Landowner are affiliates of Vanguard Land, LLC ("Vanguard"). See "–Vanguard" below for more information.

### The Developer

The Developer is a Florida limited liability company and a special-purpose entity. The Developer is wholly owned by principals and affiliates of Vanguard. See "–Vanguard" below for more information.

### The Landowner

The Landowner is a Florida limited liability company and a special-purpose entity whose primary asset is its ownership interest in the land in the District. The Landowner owns approximately 83.5 acres in the aggregate in Unit 2 and Unit 3. [The Landowner is \_\_\_\_\_ of Vanguard.] See "–Vanguard" below.

### Vanguard

[UPDATE: Vanguard is a Sarasota-based real estate investment firm focused on the acquisition and development of high-quality properties throughout the state of Florida. Since its inception in 2008, Vanguard and its partners have acquired land for more than 14,300 homesites and for approximately 3,850,000 square feet of commercial development. The management team at Vanguard has significant land investment and development experience and includes John R. Peshkin, Brian F. Watson and Joseph C. Swanson. The following are biographies of the management team and key personnel who will oversee development of the Toscana Isles community:

**John R. Peshkin:** Mr. Peshkin is the founding partner of Vanguard with over thirty-two (32) years of residential land investment and homebuilding experience. Prior to founding Vanguard, Mr. Peshkin enjoyed a twenty-four (24) year career with Taylor Woodrow and served as its North American Chief Executive Officer and President for 6 years. Mr. Peshkin is credited with overseeing the company's expansion into over a \$2 billion enterprise with operations spanning the continent. During this time, Mr. Peshkin was directly responsible for all of Taylor Woodrow's North American investments and completed over 250 transactions in Florida, Texas, California, Arizona and Canada. Under his leadership, Taylor Woodrow acquired more than 30,000 homesites and constructed over 15,000 homes. Mr. Peshkin was responsible for the acquisition of numerous master-planned communities including: Mirasol Golf and Country Club (Palm Beach Gardens, FL), Steiner Ranch (Austin, TX), Addison Reserve (Delray Beach, FL), Stonebridge Country Club (Naples, FL), Vasari Golf and Country Club (Naples, FL), Alaqua Lakes (Sanford, FL), Monarch Country Club (Palm City, FL), Deer Creek Country Club (Jacksonville, FL), Sierra Montana (Phoenix, AZ), Colony (Upland, CA) and Dos Lagos (Corona, CA). After leaving Taylor Woodrow, Mr. Peshkin formed Starwood Land Ventures, an affiliate of Starwood Capital Group Global, and served as its Chief Executive Officer until 2008. Mr. Peshkin currently serves on the Board of Directors of Standard Pacific Corporation, a New York Stock Exchange listed company. Prior to joining

the Standard Pacific board, Mr. Peshkin was a member of the WCI Communities Board of Directors. Mr. Peshkin is a Licensed Florida Contractor, Real Estate Broker and Community Association Manager. Mr. Peshkin received a B.S. in finance from Lehigh University.

Brian F. Watson: Mr. Watson serves as Chief Financial Officer at Vanguard. Mr. Watson has enjoyed a twenty-six (26) year career in accounting, banking, land investment and homebuilding. Prior to joining Vanguard, Mr. Watson was the Chief Financial Officer of Taylor Woodrow's North American operations. During his 13-year tenure at Taylor Woodrow, Mr. Watson served on the North American Executive Committee and Investment Committee. He was responsible for corporate finance and banking, investment appraisals, tax planning and compliance, information technology, insurance and bonding. Previously, Mr. Watson managed the accounting function for Ft. Brooke Bank (now BB&T) and served as a Senior Auditor with Deloitte & Touche. Mr. Watson is a Certified Public Accountant and licensed Building Contractor. Mr. Watson received a B.S. in accounting and finance from Florida State University.

Joseph C. Swanson: Mr. Swanson oversees Vanguard's land planning, engineering and development activities. Mr. Swanson has enjoyed a successful career with several engineering firms, including an eighteen (18) year tenure at Kimley-Horn and Associates. During his tenure at Kimley-Horn and Associates, Mr. Swanson opened, managed and grew the Sarasota, Florida office; earning a 50% market share of residential development projects. During his consulting career, Mr. Swanson has been involved in land acquisition, due diligence, planning, entitlement, and construction of more than 30,000 housing units. Mr. Swanson is a registered Professional Engineer in the states of Florida, Pennsylvania, Illinois, Colorado and Hawaii. Mr. Swanson received a B.S. in engineering from the University of Illinois and a M.B.A. from Temple University.

*Neither the Developer nor any of the other individuals or entities listed above is guaranteeing payment of the Series 2018 Bonds or the Series 2018 Assessments. None of the other individuals or entities listed above has guaranteed or assumed any of the Developer's or the Landowner's obligations incurred in connection with the issuance of the Series 2018 Bonds.*

## **TAX MATTERS**

### **Opinion of Bond Counsel**

In the opinion of Bond Counsel, the proposed form of which is included as APPENDIX B hereto, the interest on the Series 2018 Bonds is, under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), excludable from federal gross income and is not a specific tax preference item for purposes of the federal alternative minimum tax under existing statutes, regulations, published rulings and court decisions. Such opinion assumes compliance by the District with the tax covenants set forth in the Indenture and the accuracy of certain representations included in the closing transcript for the Series 2018 Bonds. Failure by the District to comply subsequent to the issuance of the Series 2018 Bonds with certain requirements of the Code, regarding the use, expenditure and investment of bond proceeds and the timely payment of certain investment earnings to the Treasury of the United States, may cause interest on the Series 2018 Bonds to become includable in gross income for federal income tax purposes retroactive to their date of issue. The District has covenanted in the Indenture to comply with all provisions of the Code necessary to, among other things, maintain the exclusion from gross income of interest on the Series 2018 Bonds for purposes of federal income taxation. In rendering this opinion, Bond Counsel has assumed continuing compliance with such covenant.

## **Collateral Tax Consequences**

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of, the Series 2018 Bonds. Prospective purchasers of the Series 2018 Bonds should be aware that the ownership of the Series 2018 Bonds may result in collateral federal tax consequences. Federal legislation enacted in 2017 eliminates alternative minimum tax for corporations for taxable years beginning after December 31, 2017. For taxable years beginning before January 1, 2018, corporations should consult their tax advisor regarding alternative minimum tax implications of owning the Series 2018 Bonds.

**PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2018 BONDS, AS THE CASE MAY BE, AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE BONDHOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.**

## **Other Tax Matters**

Bond Counsel is further of the opinion that the Series 2018 Bonds and interest thereon are not subject to taxation under the laws of the State of Florida except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined in Chapter 220, Florida Statutes. Interest on the Series 2018 Bonds may be subject to state or local income taxation under applicable state or local laws in other jurisdictions. Purchasers of the Series 2018 Bonds should consult their tax advisors as to the income tax status of interest on the Series 2018 Bonds in their particular state or local jurisdictions.

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2018 Bonds. In some cases these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Series 2018 Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2018 Bonds and their market value. No assurance can be given that additional legislative proposals will not be introduced or enacted that would or might apply to, or have an adverse effect upon, the Series 2018 Bonds.

## **[Original Issue Discount]**

[Bond Counsel is further of the opinion that the difference between the principal amount of the Series 2018 Bonds maturing on November 1, \_\_\_\_\_ and November 1, \_\_\_\_\_ (collectively, the "Discount Bonds") and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Discount Bonds of the same maturity was sold constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the Series 2018 Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount Bond and the basis of each Discount Bond acquired at such initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Discount Bonds, even though there will not be a corresponding cash

payment. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of the Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Bondholders of the Discount Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, redemption or other disposition of the Discount Bonds and with respect to the state and local tax consequences of owning and disposing of the Discount Bonds.]

### **AGREEMENT BY THE STATE**

Under the Act, the State of Florida pledges to the holders of any bonds issued thereunder, including the Series 2018 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.

### **LEGALITY FOR INVESTMENT**

The Act provides that bonds issued by community development districts are legal investments for savings banks, banks, trust companies, insurance companies, executors, administrators, trustees, guardians, and other fiduciaries, and for any board, body, agency, instrumentality, county, municipality or other political subdivision of the State of Florida, and constitute securities which may be deposited by banks or trust companies as security for deposits of state, county, municipal or other public funds, or by insurance companies as required or voluntary statutory deposits.

### **SUITABILITY FOR INVESTMENT**

In accordance with applicable provisions of Florida law, the Series 2018 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 2018 Bonds. Investment in the Series 2018 Bonds poses certain economic risks. No dealer, broker, salesman or other person has been authorized by the District or the Underwriter to give any information or make any representations, other than those contained in this Limited Offering Memorandum, and, if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing.

### **ENFORCEABILITY OF REMEDIES**

The remedies available to the Owners of the Series 2018 Bonds upon an event of default under the Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including the federal bankruptcy code, the remedies specified by the Indenture and the Series 2018 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2018 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**

There is no litigation of any nature now pending or, to the knowledge of the District threatened, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Series 2018 Bonds, or in any way contesting or affecting (i) the validity of the Series 2018 Bonds or any proceedings of the District taken with respect to the issuance or sale thereof, (ii) the pledge or application of any moneys or security provided for the payment of the Series 2018 Bonds, or (iii) the existence or powers of the District.

### **The Developer and the Landowners**

The Developer and the Landowners have represented that there is no litigation of any nature now pending or, to the knowledge of the Developer or the Landowners, threatened, which could reasonably be expected to have a material and adverse effect upon the ability of the Developer to complete the development of the land subject to the Series 2018 Assessments as described herein, materially and adversely affect the ability of the Developer or any of the Landowners to pay the Series 2018 Assessments imposed against the land in Units 2 or 3 or materially and adversely affect the ability of the Developer or the Landowners to perform their various obligations described in this Limited Offering Memorandum.

## **CONTINGENT FEES**

The District has retained Bond Counsel, the Consulting Engineer, District Counsel, the Methodology Consultant, the Dissemination Agent, the Underwriter (who has retained Underwriter's Counsel) and the Trustee (who has retained Trustee's Counsel), with respect to the authorization, sale, execution and delivery of the Series 2018 Bonds. Except for the payment of fees to the Consulting Engineer, District Counsel and the Methodology Consultant, the payment of fees of the other professionals is each contingent upon the issuance of the Series 2018 Bonds.

## **NO RATING**

No application for a rating for the Series 2018 Bonds has been made to any rating agency, nor is there any reason to believe that an investment grade rating for the Series 2018 Bonds would have been obtained if application had been made.

## **EXPERTS**

AM Engineering, Inc., Sarasota, Florida, as the District's Consulting Engineer, has prepared the Engineer's Report set forth as Appendix A. Wrathell, Hunt and Associates, LLC, Inc., Coconut Creek, Florida, as the District's Methodology Consultant, has prepared the Assessment Methodology Report set forth as APPENDIX D hereto. Such reports should be read in their entirety for complete information with respect to the subjects discussed therein. As a condition to closing on the Series 2018 Bonds, the Consulting Engineer and the Methodology Consultant will consent to the inclusion of their reports in this Limited Offering Memorandum.

## **FINANCIAL INFORMATION**

This District will covenant in the proposed form of Continuing Disclosure Agreement set forth in Appendix E hereto to provide its annual audited financial statements to certain information repositories as described in Appendix E commencing with the audit for the District fiscal year ended September 30,

2018. The District will post the audited financials on the Municipal Securities Rulemaking Board ("MSRB") Electronic Municipal Market Access system ("EMMA") website. Attached hereto as Appendix F is a copy of the District's audited financial statements for the District's fiscal year ended September 30, 2017, as well as the District's unaudited monthly financial statements for the period ended \_\_\_\_\_, 2018. Such financial statements, including the auditor's report included within the audited financial statements, have been included in this Limited Offering Memorandum as public documents and consent from the auditor was not requested. Further, the auditors have not performed any services related to, and therefore are not associated with, the preparation of this Limited Offering Memorandum. The Series 2018 Bonds are not general obligation bonds of the District or any other entity and are payable solely from the 2018 Trust Estate.

Beginning October 1, 2015, or by the end of the first full fiscal year after its creation, each community development district in Florida must have a separate website with certain information as set forth in Section 189.069, F.S., including, without limitation, the district's proposed and final budgets and audit. Additional information regarding the District's website is available from the District Manager at the address set forth under "THE DISTRICT – The District Manager and Other Consultants."

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

Section 517.051, Florida Statutes, and the regulations promulgated thereunder (collectively, the "Florida Disclosure Act") require that the District make a full and fair disclosure of any bonds or other debt obligations that it has issued or guaranteed and that are or have been in default as to principal or interest at any time after December 31, 1975 (including bonds or other debt obligations for which it has served only as a conduit issuer such as industrial development or private activity bonds issued on behalf of private business). The District has not previously been in default as to principal or interest on its bonds or other debt obligations.

### **CONTINUING DISCLOSURE**

The District, the Developer and the Landowners will enter into a Continuing Disclosure Agreement (the "Disclosure Agreement") the proposed form of which is attached hereto as Appendix E, for the benefit of the Series 2018 Bondholders (including owners of beneficial interests in the Series 2018 Bonds), to provide certain financial information and operating data relating to the District by certain dates prescribed in the Disclosure Agreement (the "Reports") with the MSRB's EMMA website. The specific nature of the information to be contained in the Reports is set forth in "Appendix E: Proposed Form of Continuing Disclosure Agreement." Under certain circumstances, the failure of the District or the Developer to comply with their obligations under the Disclosure Agreement constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Disclosure Agreement would allow the Bondholders (including owners of beneficial interests in the Series 2018 Bonds) of at least 25% of the outstanding Series 2018 Bonds to bring an action for specific performance.

The District, the Developer and the Landowner[s] previously entered into a continuing disclosure undertaking pursuant to Rule 15c2-12, promulgated under the Securities Exchange Act of 1934, as amended (the "Rule"), with respect to the District's Series 2014 Bonds. [EMMA review in process and insert filing history here for District and each other Obligated Person.] The District will appoint Wrathell, Hunt and Associates, LLC, who also serves as the District's district manager, as the dissemination agent in the Disclosure Agreement.

## **UNDERWRITING**

FMSbonds, Inc. (the "Underwriter") has agreed, pursuant to a contract with the District, subject to certain conditions, to purchase the Series 2018 Bonds from the District at a purchase price of \$\_\_\_\_\_ (representing the \$\_\_\_\_\_ aggregate principal amount of the Series 2018 Bonds, [plus/less net original issue discount of \$\_\_\_\_\_ and] less an underwriter's discount of \$\_\_\_\_\_). The Underwriter's obligations are subject to certain conditions precedent and the Underwriter will be obligated to purchase all of the Series 2018 Bonds if any are purchased. The Series 2018 Bonds may be offered and sold to certain dealers, banks and others at prices lower than the initial offering prices, and such initial offering prices may be changed from time to time by the Underwriter.

## **VALIDATION**

The Series 2018 Bonds were validated by a Final Judgment of the Circuit Court of the Twelfth Judicial Circuit in and for the County, rendered on May 21, 2014 and the period during which an appeal could be taken from that judgment expired with no appeal having been filed.

## **LEGAL MATTERS**

Certain legal matters related to the authorization, sale and delivery of the Series 2018 Bonds are subject to the approval of Akerman LLP, Orlando, Florida, Bond Counsel. Certain legal matters will be passed upon for the District by its counsel, Straley Robin Vericker P.A., Tampa, Florida, for the Developer and the Landowners by their counsel, Williams, Parker, Harrison, Dietz & Getzen, Professional Association, Sarasota, Florida, and for the Underwriter by its counsel, GrayRobinson, P.A., Tampa, Florida.

Bond Counsel's opinions included herein are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date hereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or the courts; rather, such opinions represent Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

## **MISCELLANEOUS**

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

The references herein to the Series 2018 Bonds and other documents referred to herein are brief summaries of certain provisions thereof. Such summaries do not purport to be complete and reference is made to such documents for full and complete statements of such provisions.

This Limited Offering Memorandum is submitted in connection with the limited offering of the Series 2018 Bonds and may not be reproduced or used, as a whole or in part, for any purpose. This Limited Offering Memorandum is not to be construed as a contract with the purchaser or the Beneficial Owners of any of the Series 2018 Bonds.

[Remainder of page intentionally left blank.]

**AUTHORIZATION AND APPROVAL**

The execution and delivery of this Limited Offering Memorandum has been duly authorized by the Board of Supervisors of the District.

**TOSCANA ISLES COMMUNITY  
DEVELOPMENT DISTRICT**

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

**APPENDIX A**

**ENGINEER'S REPORT**

**APPENDIX B**

**COPY OF MASTER INDENTURE AND  
PROPOSED FORM OF SECOND SUPPLEMENTAL INDENTURE**

**APPENDIX C**

**PROPOSED FORM OF APPROVING OPINION  
OF BOND COUNSEL**

## **APPENDIX D**

### **ASSESSMENT METHODOLOGY REPORT**

**APPENDIX E**

**PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT**

**APPENDIX F**  
**DISTRICT'S FINANCIAL STATEMENTS**

## CONTINUING DISCLOSURE AGREEMENT

**THIS CONTINUING DISCLOSURE AGREEMENT** (this "Disclosure Agreement"), dated as of \_\_\_\_\_, 2018 is executed and delivered by the **TOSCANA ISLES COMMUNITY DEVELOPMENT DISTRICT** (the "District" or the "Issuer"), [**LALP DEVELOPMENT, LLC**, a Florida limited liability company (the "Landowner")], and **WRATHELL, HUNT AND ASSOCIATES, LLC**, a Florida limited liability company (the "Dissemination Agent"), in connection with the issuance by the District of its \$\_\_\_\_\_ original aggregate principal amount of Special Assessment Revenue Bonds, Series 2018 (the "Bonds"). The Bonds are being issued pursuant to the Master Trust Indenture dated as of October 1, 2014 (the "Master Indenture"), as supplemented and amended by the Second Supplemental Trust Indenture dated as of December 1, 2018 (the "Second Supplement" and, together with the Master Indenture, the "Indenture"), both between the District and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association duly organized and existing under the laws of the United States of America and having a designated corporate trust office in Orlando, Florida, as trustee (the "Trustee"). For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in consideration of the mutual promises and other considerations contained herein, the District, the Landowner and the Dissemination Agent covenant and agree as follows:

**Section 1. Purpose of this Disclosure Agreement.** This Disclosure Agreement is being executed and delivered by the District, the Landowner and the Dissemination Agent for the benefit of the Beneficial Owners (as defined herein) of the Bonds and to assist the Participating Underwriter (as defined herein) of the Bonds in complying with the Rule (as defined herein). The District has no reason to believe that this Disclosure Agreement does not satisfy the requirements of the Rule and the execution and delivery of this Disclosure Agreement is intended to comply with the Rule. To the extent it is later determined by a court of competent jurisdiction or a governmental regulatory agency that the Rule requires the District to provide additional information, the District and each Obligated Person agree to promptly provide such additional information.

The provisions of this Disclosure Agreement are supplemental and in addition to the provisions of the Indenture with respect to reports, filings and notifications provided for therein, and do not in any way relieve the District, the Trustee or any other person of any covenant, agreement or obligation under the Indenture (or remove any of the benefits thereof) nor shall anything herein prohibit the District, the Trustee or any other person from making any reports, filings or notifications required by the Indenture or any applicable law.

**Section 2. Definitions.** Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Indenture. The following capitalized terms as used in this Disclosure Agreement shall have the following meanings:

"Annual Filing Date" means the date set forth in Section 3(a) hereof by which the Annual Report is to be filed with each Repository.

"Annual Financial Information" means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 4(a) of this Disclosure Agreement.

"Annual Report" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Assessment Area" shall mean that portion of the District lands subject to Special Assessments.

"Audited Financial Statements" means the financial statements (if any) of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 4(a) of this Disclosure Agreement.

"Audited Financial Statements Filing Date" means the date set forth in Section 3(a) hereof by which the Audited Financial Statements are to be filed with each Repository if the same are not included as part of the Annual Report.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Business Day" means any day other than (a) a Saturday, Sunday or a day on which banks located in the city in which the designated corporate trust office of the Trustee is located are required or authorized by law or executive order to close for business and (b) a day on which the New York Stock Exchange is closed.

"Disclosure Representative" shall mean (i) as to the Issuer, the District Manager or its designee, or such other person as the Issuer shall designate in writing to the Dissemination Agent from time to time as the person responsible for providing Information to the Dissemination Agent; and (ii) as to each Landowner, the individual executing this Disclosure Agreement on behalf of such entity or such person(s) as such entity shall designate in writing to the Dissemination Agent from time to time as the person(s) responsible for providing Information to the Dissemination Agent.

"Dissemination Agent" shall mean the Issuer or an entity appointed by the Issuer to act in the capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Issuer pursuant to Section 8 hereof.

"District Manager" shall mean the person or entity serving as District Manager from time to time.

"EMMA" means the Electronic Municipal Market Access System for municipal securities disclosures located at <http://emma.msrb.org/>.

"EMMA Compliant Format" shall mean a format for any document provided to the MSRB (as hereinafter defined) which is in an electronic format and is accompanied by identifying information, all as prescribed by the MSRB.

"Fiscal Year" shall mean the period commencing on October 1 and ending on September 30 of the next succeeding year, or such other period of time provided by applicable law.

"Limited Offering Memorandum" shall mean that Limited Offering Memorandum dated \_\_\_\_\_, 2018 prepared in connection with the issuance of the Bonds.

"Listed Event" shall mean any of the events listed in Section 6(a) of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Obligated Person(s)" shall mean, with respect to the Bonds, those person(s) who either generally or through an enterprise fund or account of such persons are committed by contract or other arrangement

to support payment of all or a part of the obligations on such Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), which person(s) shall include the Issuer, and for the purposes of this Disclosure Agreement, the Landowner for so long as the Landowner or its affiliates, successors or assigns (excluding residential homebuyers who are end users) are the owners of District Lands responsible for payment of at least 20% of the Special Assessments.

"Participating Underwriter" shall mean FMSbonds, Inc.

"Quarterly Filing Date" shall mean for the quarter ending (i) March 31, each May 1; (ii) June 30, each August 1; (iii) September 30, each November 1; and (iv) December 31, each February 1 of the following year. The first Quarterly Filing Date shall be May 1, 2019.

"Quarterly Report" shall mean any Quarterly Report provided by an Obligated Person (other than the District) pursuant to, and as described in, Section 5 of this Disclosure Agreement.

"Repository" shall mean each entity authorized and approved by the SEC (as hereinafter defined) from time to time to act as a repository for purposes of complying with the Rule. The Repositories approved by the SEC may be found by visiting the SEC's website at <http://www.sec.gov/info/municipal/nrmsir.htm>. As of the date hereof, the Repository recognized by the SEC for such purpose is the MSRB, which currently accepts continuing disclosure submissions through its EMMA web portal at <http://emma.msrb.org>. As used herein, "Repository" shall include the State Repository, if any.

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

"SEC" means the Securities and Exchange Commission.

"Special Assessments" shall mean the non-ad valorem Series 2018 Assessments pledged to the payment of the Bonds pursuant to the Indenture.

"State" shall mean the State of Florida.

"State Repository" shall mean any public or private repository or entity designated by the State as a state repository for the purposes of the Rule.

### **Section 3. Provision of Annual Reports.**

(a) Subject to the following sentence, the Issuer shall provide the Annual Report to the Dissemination Agent no later than one hundred and eighty (180) days after the close of the Issuer's Fiscal Year (the "Annual Filing Date"), commencing with the Annual Report for the Fiscal Year ending September 30, 2019. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the Audited Financial Statements of the District may be submitted separately from the balance of the Annual Report, and may be submitted in accordance with State law, which currently requires such Audited Financial Statements to be provided up to, but no later than, nine (9) months after the close of the District's Fiscal Year (the "Audited Financial Statements Filing Date"). The District shall, or shall cause the Dissemination Agent to, provide to the Repository its Annual Financial Statements for the Fiscal Year ending September 30, 2018 on or before June 30, 2019. The District shall, or shall cause the Dissemination Agent to, provide to the Repository the

components of an Annual Report which satisfies the requirements of Section 4(a) of this Disclosure Agreement within thirty (30) days after same becomes available, but in no event later than the Annual Filing Date or Audited Financial Statements Filing Date, if applicable. If the District's Fiscal Year changes, the District shall give notice of such change in the same manner as for a Listed Event under Section 6.

(b) If on the fifteenth (15th) day prior to each Annual Filing Date or Audited Financial Statements Filing Date if not included as part of the Annual Report, the Dissemination Agent has not received a copy of the Annual Report or Audited Financial Statements, respectively, the Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by email) to remind the District of its undertaking to provide the Annual Report or Audited Financial Statements if not included as part of the Annual Report, pursuant to Section 3(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Report and/or Audited Financial Statements, as applicable, in accordance with Section 3(a) above, or (ii) advise the Dissemination Agent in writing that the District will not be able to file the Annual Report and/or Audited Financial Statements, as applicable, within the time required under this Disclosure Agreement, state the date by which the Annual Report or Audited Financial Statements, as applicable, for such year will be provided and instruct the Dissemination Agent that a Listed Event as described in Section 6(a)(xv) has occurred and to immediately send a notice to the Repository in substantially the form attached hereto as Exhibit A.

(c) If the Dissemination Agent has not received (i) an Annual Report by 12:00 noon on the first (1<sup>st</sup>) Business Day following the Annual Filing Date for the Annual Report or (ii) Audited Financial Statements by 12:00 noon on the first (1<sup>st</sup>) Business Day following the Audited Financial Statements Filing Date for the Audited Financial Statements, then a Listed Event as described in Section 6(a)(xv) shall have occurred and the Dissemination Agent shall immediately send a notice to the Repository in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) determine each year prior to the Annual Filing Date the name, address and filing requirements of the Repository; and

(ii) promptly upon fulfilling its obligations under subsection (a) above, file a notice with the District stating that the Annual Report or Audited Financial Statements, as applicable, has been provided pursuant to this Disclosure Agreement, stating the date(s) it was provided and listing all Repositories with which it was filed.

(e) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Agreement shall be provided in an EMMA Compliant Format.

**Section 4. Content of Annual Reports.**

(a) Each Annual Report shall contain Annual Financial Information with respect to the District, including:

(i) The amount of Special Assessments levied for the most recent prior Fiscal Year.

(ii) The amount of Special Assessments collected from the property owners during the most recent prior Fiscal Year.

(iii) If available, the amount of delinquencies greater than one hundred fifty (150) days and, in the event that delinquencies amount to more than ten percent (10%) of the amounts of Special Assessments due in any year, a list of delinquent property owners.

(iv) If available, the amount of tax certificates sold for lands within the Assessment Area, if any, and the balance, if any, remaining for sale from the most recent Fiscal Year.

(v) All fund balances in all Funds and Accounts for the Bonds. The District shall provide any Bondholder with this information more frequently than annually within thirty (30) days of the written request of the Bondholder.

(vi) The total amount of Bonds Outstanding.

(vii) The amount of principal and interest to be paid on the Bonds in the current Fiscal Year.

(viii) The most recent Audited Financial Statements of the District.

(ix) In the event of any amendment or waiver of a provision of this Disclosure Agreement, a description of such amendment or waiver in the next Annual Report, which in each case shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change in accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements: (i) notice of such change shall be given in the same manner as for a Listed Event under Section 6(b) and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

To the extent any of the items set forth in subsections (i) through (vii) above are included in the Audited Financial Statements referred to in subsection (viii) above, they do not have to be separately set forth (unless Audited Financial Statements are being delivered more than 180 days after the close of the District's Fiscal Year pursuant to Section 3(a) hereof). Any or all of the items listed above may be incorporated by reference from other documents, including limited offering memorandums and official statements of debt issues of the District or related public entities, which have been submitted to the MSRB or the SEC. If the document incorporated by reference is a final limited offering memorandum or official statement, it must be available from the MSRB. The District shall clearly identify each such other document so incorporated by reference.

(b) The District and each Obligated Person agree to supply, in a timely fashion, any information reasonably requested by the Dissemination Agent that is necessary in order for the Dissemination Agent to carry out its duties under this Disclosure Agreement. The District acknowledges and agrees that the information to be collected and disseminated by the Dissemination Agent will be provided by the District, each Obligated Person and others. The

Dissemination Agent's duties do not include authorship or production of any materials, and the Dissemination Agent shall have no responsibility hereunder for the content of the information provided to it by the District, an Obligated Person or others as thereafter disseminated by the Dissemination Agent.

(c) Any Annual Financial Information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

**Section 5. Quarterly Reports.**

(a) Each Obligated Person (other than the District) shall provide an electronic copy of the Quarterly Report to the Dissemination Agent no later than fifteen (15) days prior to the Quarterly Filing Date. Promptly upon receipt of an electronic copy of the Quarterly Report, but in any event within ten (10) days after receipt thereof, the Dissemination Agent shall provide a Quarterly Report to the Repository.

(b) Each Quarterly Report shall contain an update of the following information with respect to such Obligated Person for the Bonds, to the extent available:

(i) [The number and type of lots planned in the Assessment Area.

(ii) The number and type of lots owned in the Assessment Area by the Obligated Person.

(iii) The number and type of lots platted in the Assessment Area.

(iv) The number and type of homes under contract with homebuyers in the Assessment Area.

(v) The number and type of homes closed with homebuyers (delivered to end users) in the Assessment Area.

(vi) Any change to the number or type of lots planned to be developed in the Assessment Area by the Obligated Person.]

(vii) Materially adverse changes or determinations to permits/approvals for the development of the Assessment Area which necessitate changes to the land use plans of any Obligated Person.

(viii) The occurrence of any new or modified mortgage debt on the land owned by the Obligated Person in the Assessment Area, including the amount, interest rate and terms of repayment.

(c) If an Obligated Person sells, assigns or otherwise transfers ownership of real property in an Assessment Area (a "Transferor Obligated Person") to a third party (a "Transferee"), which will in turn be an Obligated Person for purposes of this Disclosure Agreement as a result thereof (a "Transfer"), the Transferor Obligated Person hereby agrees to use its best efforts to contractually obligate such Transferee to agree to comply with the disclosure obligations of an Obligated Person hereunder for so long as such Transferee is an

Obligated Person hereunder, to the same extent as if such Transferee were a party to this Disclosure Agreement (an "Assignment"). The Transferor Obligated Person shall notify the District and the Dissemination Agent in writing of any Transfer within five (5) Business Days of the occurrence thereof. Nothing herein shall be construed to relieve the Landowner from its obligations hereunder except to the extent a written Assignment from a Transferee is obtained and delivered to the Dissemination Agent and then only to the extent of such Assignment.

(d) If the Dissemination Agent has not received a Quarterly Report from each Obligated Person that contains, at a minimum, the information in Section 5(b) of this Disclosure Agreement by 12:00 noon on the first (1<sup>st</sup>) Business Day following each Quarterly Filing Date, a Listed Event described in Section 6(a)(xv) shall have occurred and the District and the applicable Obligated Person hereby direct the Dissemination Agent to send a notice to the Repository in substantially the form attached as Exhibit A, with a copy to the District. The Dissemination Agent shall file such notice no later than thirty (30) days following the applicable Quarterly Filing Date.

**Section 6. Reporting of Significant Events.**

(a) This Section 6 shall govern the giving of notices of the occurrence of any of the following Listed Events:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on the Debt Service Reserve Fund reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;\*
- (v) Substitution of credit or liquidity providers, or their failure to perform;\*
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of Bond holders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;†

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\* The Bonds are not initially credit enhanced.

† The Bonds are not initially rated.

(xii) Bankruptcy, insolvency, receivership or similar event of the District or any Obligated Person (which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District or any Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District or any Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District or any Obligated Person);

(xiii) Consummation of a merger, consolidation, or acquisition involving the District or any Obligated Person or the sale of all or substantially all of the assets of the District or any Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional Trustee or the change of name of the Trustee, if material; and

(xv) Failure to provide (A) any Annual Report or Audited Financial Statement as required under this Disclosure Agreement that contains, in all material respects, the information required to be included therein under Section 4(a) of this Disclosure Agreement, or (B) any Quarterly Report that contains, in all material respects, the information required to be included therein under Section 5(b) of this Disclosure Agreement, which failure shall, in all cases, be deemed material under federal securities laws.

(b) The District shall give, or cause to be given, notice of the occurrence of any of the above subsection (a) Listed Events to the Dissemination Agent in writing in sufficient time in order to allow the Dissemination Agent to file notice of the occurrence of such Listed Event in a timely manner not in excess of ten (10) Business Days after its occurrence, with the exception of the Listed Event described in Section 6(a)(xv), which notice will be given in a timely manner. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (d) below. Such notice shall identify the Listed Event that has occurred, include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth (10<sup>th</sup>) Business Day after the occurrence of the Listed Event).

(c) Each Obligated Person shall notify the District of the occurrence of a Listed Event described in subsections (a)(x), (xii) or (xiii) above as to such Obligated Person (provided with respect to (x) and (xiii) the sale of individual lots to residential end users or land subject to less than 20% of the Assessments shall not be a "Listed Event") within five (5) Business Days after the occurrence of the Listed Event so as to enable the District to comply with its obligations under this Section 6.

(d) If the Dissemination Agent has been instructed by the District to report the occurrence of a Listed Event, the Dissemination Agent shall immediately file a notice of such occurrence with each Repository.

(e) The Landowner represents and warrants that, except as disclosed in the Limited Offering Memorandum, such Landowner has not in the last five (5) years materially failed to comply with a continuing disclosure undertaking entered into by it pursuant the Rule.

**Section 7. Termination of this Disclosure Agreement.** This Disclosure Agreement shall terminate with respect to the Bonds upon the defeasance, prior redemption or payment in full of all of the Bonds.

**Section 8. Dissemination Agent.** Upon termination of the Dissemination Agent's services as Dissemination Agent, whether by notice of the Issuer or the Dissemination Agent, the Issuer agrees to appoint a successor Dissemination Agent or, alternatively, agrees to assume all responsibilities of Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. If at any time there is not any other designated Dissemination Agent, the District shall be deemed to be the Dissemination Agent. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable until payment in full for any and all sums owed and payable to the Dissemination Agent hereunder. The initial Dissemination Agent shall be Wrathell, Hunt and Associates, LLC. The acceptance of such designation is evidenced by the execution of this Disclosure Agreement by a duly authorized signatory of Wrathell, Hunt and Associates, LLC. A Dissemination Agent may terminate its role as Dissemination Agent at any time upon delivery of written notice to the District and each Obligated Person.

**Section 9. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Agreement, the District and the Dissemination Agent may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, acceptable to the District, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

Notwithstanding the above provisions of this Section 9, no amendment to the provisions of Section 5(b) hereof may be made without the consent of each Obligated Person, if any.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the District shall describe such amendment and/or waiver in the next Annual Report and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change in accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements: (i) notice of such change shall be given in the same manner as for a Listed Event under Section 6(b); and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

**Section 10. Additional Information.** Nothing in this Disclosure Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the District shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

**Section 11. Default.** In the event of a failure of the District, any Obligated Person, the Disclosure Representative or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and receipt of indemnity satisfactory to the Trustee, shall), or any beneficial owner of a bond may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the District, any Obligated Person, the Disclosure Representative or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement by any Obligated Person shall not be deemed a default by the District hereunder and no default hereunder shall be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the District, the Disclosure Representative, any Obligated Person, or the Dissemination Agent, to comply with this Disclosure Agreement shall be an action to compel performance.

**Section 12. Duties of Dissemination Agent.** The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement between the District, the Landowner and such Dissemination Agent. The Dissemination Agent shall have no obligation to notify any other party hereto of an event that may constitute a Listed Event. The District, each Obligated Person and the Disclosure Representative represent and warrant that they will supply, in a timely fashion, any information reasonably requested by the Dissemination Agent that is necessary in order for the Dissemination Agent to carry out its duties under this Disclosure Agreement. The District, each Obligated Person and the Disclosure Representative acknowledge and agree that the information to be collected and disseminated by the Dissemination Agent will be provided by the District, the Obligated Person(s), the Disclosure Representative and others. The Dissemination Agent's duties do not include authorship or production of any materials, and the Dissemination Agent shall have no responsibility hereunder for the content of the information provided to it by the District, the Obligated Person(s) or the Disclosure Representative as thereafter disseminated by the Dissemination Agent. Any filings under this Disclosure Agreement made to the MSRB through EMMA shall be in an EMMA Compliant Format.

**Section 13. Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the District, the Disclosure Representative, the Obligated Person(s), the Dissemination Agent, the Trustee, the Participating Underwriter and the Owners of the Bonds (the Participating Underwriter and Owners of the Bonds being hereby deemed express third party beneficiaries of this Disclosure Agreement), and shall create no rights in any other person or entity.

**Section 14. Counterparts.** This Disclosure Agreement may be executed in several counterparts and by PDF signatures, each of which shall be considered an original and all of which shall constitute but one and the same instrument.

**Section 15. Tax Roll and Budget.** Upon request, the District, through its District Manager if applicable, agrees to provide the Dissemination Agent, the Trustee or any Bondholder with a certified copy of the most recent tax roll provided to the Sarasota County Tax Collector and the District's most recent adopted budget.

**Section 16. Governing Law.** This Disclosure Agreement shall be governed by the laws of the State of Florida and Federal law and venue shall be in Sarasota County, Florida.

**Section 17. Trustee Cooperation.** The District represents that the Dissemination Agent is a bona fide agent of the District and the District instructs the Trustee to deliver to the Dissemination Agent at the expense of the District, any information or reports in the possession of the Trustee which the Dissemination Agent requests in writing.

**Section 18. Binding Effect.** This Disclosure Agreement shall be binding upon each party to this Disclosure Agreement and upon each successor and assignee of each party to this Disclosure Agreement and shall inure to the benefit of, and be enforceable by, each party to this Disclosure Agreement and each successor and assignee of each party to this Disclosure Agreement. Notwithstanding the foregoing, as to any entity constituting an Obligated Person or any assignee or successor thereto that becomes an Obligated Person pursuant to the terms of this Disclosure Agreement, only successors or assignees to such parties who are by definition hereunder Obligated Persons shall be bound or benefited by this Disclosure Agreement.

[Remainder of Page Intentionally Left Blank]

**IN WITNESS WHEREOF**, the undersigned have executed this Disclosure Agreement as of the date and year set forth above.

**TOSCANA ISLES COMMUNITY DEVELOPMENT DISTRICT**

ATTEST:

\_\_\_\_\_  
Secretary

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

Consented to and agreed to by:  
**WRATHELL, HUNT AND ASSOCIATES, LLC**, as District Manager

**LALP DEVELOPMENT, LLC**, a Florida limited liability company, as an Obligated Person

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

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

**WRATHELL, HUNT AND ASSOCIATES, LLC**, as Dissemination Agent

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

Acknowledged and agreed to for purposes of Sections 11, 13 and 17 only:

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

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

**EXHIBIT A**

**FORM OF NOTICE TO REPOSITORIES OF FAILURE TO FILE [ANNUAL REPORT][AUDITED FINANCIAL STATEMENTS][QUARTERLY REPORT]**

Name of Issuer: Toscana Isles Community Development District

Name of Bond Issue: \$\_\_\_\_\_ original aggregate principal amount of Toscana Isles Community Development District (City of Venice, Florida) Special Assessment Revenue Bonds, Series 2018 (the "Bonds")

Obligated Person(s): Toscana Isles Community Development District; \_\_\_\_\_

Date of Issuance: \_\_\_\_\_, 2018

CUSIP Numbers: \_\_\_\_\_

NOTICE IS HEREBY GIVEN that the [Issuer][Obligated Person] has not provided an [Annual Report] [Audited Financial Statements] [Quarterly Report] with respect to the above-named Bonds as required by Section [3][5] of the Continuing Disclosure Agreement dated \_\_\_\_\_, 2018. The [Issuer][Obligated Person] has advised the undersigned that it anticipates that the [Annual Report] [Audited Financial Statements] [Quarterly Report] will be filed by \_\_\_\_\_, 20\_\_\_\_.

Dated: \_\_\_\_\_

\_\_\_\_\_, as Dissemination Agent

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

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

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

cc: Issuer  
Obligated Person  
Trustee

**TOSCANA ISLES  
COMMUNITY DEVELOPMENT DISTRICT**

**11**

**fmsbonds**  
**Municipal Bond Specialists**

20660 W. Dixie Highway  
North Miami Beach, FL 33180

October 5, 2018

Toscana Isles Community Development District  
c/o Wrathell, Hunt & Associates  
6131 Lyons Road, Suite # 100  
Coconut Creek, Florida 33073  
Attn: Mr. Craig Wrathell

Re: Agreement for Underwriter Services & G-17 Disclosure

Dear Mr. Wrathell:

Thank you for the opportunity to work with the Toscana Isles Community Development District (the "District") regarding the underwriting of the District's Special Assessment Bonds, and future series of bonds (the "Bonds"). The District and FMSbonds, Inc. ("FMS"), solely in its capacity as Underwriter, agree to the proposed terms set forth herein in Attachment I. By executing this letter both parties agree to the terms set forth herein.

FMS's role is limited to act as Underwriter within the Scope of Services set forth herein as Attachment I, and not as a financial advisor or municipal advisor. FMS is not acting as a municipal advisor for the developer in connection with the subject transaction. Any information that FMS has previously provided was solely for discussion purposes in anticipation of being retained as your underwriter. Attachment II, attached hereto, contains the Municipal Securities Rulemaking Rule Board Rule G-17 Disclosure that the District should read in its entirety and acknowledge by signing below.

We look forward to working with you.

Yours truly,

**FMSbonds, Inc.**

By: 

Name: Jon Kessler

Title: Executive Director

Agreed to and accepted as of the date first written above:

**TOSCANA ISLES COMMUNITY  
DEVELOPMENT DISTRICT**

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

## ATTACHMENT I

**Section 1**     **Scope of Services of FMS:** FMS proposes that its duties as Underwriter shall be limited to the following:

1. To provide advice to the District on the structure, timing and terms of the Bonds;
2. To coordinate the financing process;
3. To conduct due diligence;
4. To assist in the preparation of an offering memorandum;
5. To review the assessment methodology and Bond documents;
6. To market and offer Bonds to investors.

**Section 2**     **Terms and Conditions:**

1. Underwriter or Purchase Fee (“Underwriting Fee”). FMS shall act as sole lead underwriter. The Underwriting Fee to FMS for acting as Underwriter shall be 2% of the Par Amount of any Bonds issued. The Underwriting Fee shall be due and payable only upon the closing of the Bonds. The Underwriting Fee may be modified pursuant to a delegation or award resolution approved by the Board and consented to by the Underwriter.
2. Price and Interest Rates: The offering price and interest rates are expected to be based on recent comparable transactions in the market, if any. FMS and the District will jointly determine the offering price and interest rates immediately prior to the start of the order period, based on market conditions then prevailing.
3. Bond Purchase Agreement. The obligations of the Underwriter and those of the District would be subject to the satisfactory completion of due diligence and to the customary representations, warranties, covenants, conditions, including provisions respecting its termination contained in the form of a bond purchase agreement FMS will prepare and as generally used in connection with the offering of Bonds for this type of transaction.
4. Costs of Issuance. The District shall be responsible for the payment of all expenses relating to the offering, including but not limited to, attorney fees, consultant fees, costs associated with preparing offering documents, if any, the purchase agreement, regulatory fees and filing fees and expenses for qualification under blue sky laws designated by FMS and approved by the District.
5. Assumptions. The proposed terms and statements of intention set forth in this agreement are based on information currently available to FMS about the District and

the market for special assessment bonds similar to the Bonds and the assumptions that:

- a) the financial condition and history of the project shall be substantially as understood, and the financial information for the relevant and appropriate period ended to be included in the final offering memorandum will not vary materially from those set forth in the material furnished to FMS;
  - b) no adverse developments shall occur which materially and adversely affect the underlying security and financial condition of the district;
  - c) the offering memorandum will comply with all applicable laws and regulations;
  - d) there will not be any unanticipated substantial delays on the part of the District in completing the transaction; and
  - e) all conditions of the Underwriter to purchase Bonds will be included in the bond purchase agreement and conditions shall be satisfied or waived, in the sole discretion of the Underwriter.
6. Information. The District agrees to reasonably and actively assist FMS in achieving an underwriting that is satisfactory to FMS and the District. To assist FMS in the underwriting the District will (a) provide and cause the District's staff and its professionals to provide FMS upon request with all information reasonably deemed necessary by FMS to complete the underwritings, included but not limited to, information and evaluations prepared by the District and its advisors; and (b) otherwise assist FMS in its underwriting efforts.
7. Term of Engagement. The term of this Agreement shall commence as of the date of this Agreement and continue in full force and effect unless terminated by either party. In event of termination by the District without cause, FMS shall be entitled to recover its reasonable out of pocket expenses incurred up to the date of termination.
8. No Commitment. Notwithstanding the foregoing, nothing herein shall constitute an agreement to provide a firm commitment, underwriting or placement or arrangement of any securities by FMS or its affiliates. Any such commitment, placement or arrangement shall only be made a part of an underwriting agreement or purchase agreement at the time of the sale of the bonds.

The engagement contemplated hereby and this agreement are solely for the benefit of the District and FMS and their respective successors, assigns and representatives and no other person or entity shall acquire or have any right under or by virtue hereof.

This Agreement contains the entire understanding of the parties relating to the transactions contemplated hereby and this Agreement supersedes all prior agreements, understandings and negotiations with respect thereto. This Agreement may be executed in counterparts each of which shall be an original but all of such counterparts shall constitute one and the same instrument.

9. No Financial Advisor. FMS's role is limited to that of an Underwriter and not a Financial Advisor or Municipal Advisor

[Remainder of Page Intentionally Left Blank]

## ATTACHMENT II

**MSRB Rule G-17 Disclosure** --- The District has engaged FMS to serve as underwriter, and not as a financial advisor or municipal advisor, in connection with the issuance of the Bonds. As part of our services as underwriter, FMS may provide advice concerning the structure, timing, terms, and other similar matters concerning the issuance of the Bonds. We may also have provided such advice as part of the process of seeking to be selected to serve as your underwriter. Any such advice was provided by FMS as an underwriter and not as your financial advisor in this transaction.

Pursuant to the Notice, we are required by the MSRB to advise you that:

- MSRB Rule G-17 requires an underwriter to deal fairly at all times with both municipal issuers and investors.
- The underwriter's primary role is to purchase the Bonds with a view to distribution in an arm's-length commercial transaction with the Issuer. As such, the underwriter has financial and other interests that differ from those of the Issuer.
- Unlike a municipal advisor, the underwriter does not have a fiduciary duty to the Issuer under the federal securities laws and are, therefore, not required by federal law to act in the best interests of the Issuer without regard to their own financial or other interests.
- The underwriter has a duty to purchase the Bonds from the Issuer at a fair and reasonable price, but must balance that duty with its duty to sell the Bonds to investors at prices that are fair and reasonable.
- As underwriter, we will review the disclosure document for the Bonds in accordance with, and as part of, our responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction.<sup>1</sup>

The underwriter will be compensated by a fee and/or a fee that will be set forth in the bond purchase agreement to be negotiated and entered into in connection with the issuance of the Bonds. Payment or receipt of the underwriting fee or discount will be contingent on the closing of the transaction and the amount of the fee or discount may be based, in whole or in part, on a percentage of the principal amount of the Bonds. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since an underwriter may have an incentive to recommend a transaction that is unnecessary or to recommend that the size of a transaction be larger than is necessary. The District acknowledges no such recommendation has been made by FMS.

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<sup>1</sup> Under federal securities law, an issuer of securities has the primary responsibility for disclosure to investors. The review of the offering document by the underwriters is solely for purposes of satisfying the underwriters' obligations under the federal securities laws and such review should not be construed by an issuer as a guarantee of the accuracy or completeness of the information in the offering document.

Please note nothing in this letter is an expressed nor an implied commitment by us to provide financing or to purchase or place the Bonds or any other securities. Any such commitment shall only be set forth in a bond purchase agreement or other appropriate form of agreement for the type of transaction undertaken by you.

Further, our participation in the transaction contemplated herein remains subject to, among other things, the execution of a bond purchase agreement (or other appropriate form of agreement), further internal review and approvals, satisfactory completion of our due diligence investigation and market conditions.

FMS is acting independently in seeking to act as an underwriter in the transactions contemplated herein and shall not be deemed for any purpose to be acting as an agent, joint venturer or partner of any other principal involved in the proposed financing. FMS assumes no responsibility, express or implied, for any actions or omissions of, or the performance of services by, the other underwriters in connection with the transactions contemplated herein or otherwise.

If you or any other Issuer representatives have any questions or concerns about these disclosures, please make those questions or concerns known immediately to FMS. In addition, Issuer should consult with its own financial, municipal, legal, accounting, tax and other advisors, as applicable, to the extent it deems appropriate. Depending on the final structure of the transaction that the District and FMS decide to pursue, or if additional actual or perceived material conflicts are identified, we may be required to send you additional disclosures.

**TOSCANA ISLES  
COMMUNITY DEVELOPMENT DISTRICT**

**12**

**TOSCANA ISLES  
COMMUNITY DEVELOPMENT DISTRICT**

**13A**

**DRAFT**

**MINUTES OF MEETING  
TOSCANA ISLES  
COMMUNITY DEVELOPMENT DISTRICT**

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A Public Hearing and Regular Meeting of the Board of Supervisors of the Toscana Isles Community Development District were held on Wednesday, July 18, 2018, at 10:00 a.m., at the offices of Vanguard Land, LLC, located at 6561 Palmer Park Circle, Suite B, Sarasota, Florida 34238.

**Present at the meeting were:**

Samantha Hays	Chair
Brian Watson	Vice Chair
Daniel Peshkin	Assistant Secretary

**Also present were:**

Cindy Cerbone	District Manager
Vivek Babbar <i>(via telephone)</i>	District Counsel

**FIRST ORDER OF BUSINESS**

**Call to Order/Roll Call**

Ms. Cerbone called the meeting to order at 10:03 a.m. Supervisors Samantha Hays, Daniel Peshkin and Brian Watson were present, in person. Supervisors John Peshkin and Alexander Hays were not present.

**SECOND ORDER OF BUSINESS**

**Public Comments**

There being no public comments, the next item followed.

**THIRD ORDER OF BUSINESS**

**Public Hearing to Hear Comments and  
Objections on Adoption of Fiscal Year  
2018/2019 Budget**

**A. Affidavit/Proof of Publication**

Ms. Cerbone presented the affidavit of publication for today's Public Hearing.

39 **B. Consideration of Resolution 2018-03, Relating to the Annual Appropriations and**  
 40 **Adopting the Budget for the Fiscal Year Beginning October 1, 2018, and Ending**  
 41 **September 30, 2019; Authorizing Budget Amendments; and Providing an Effective**  
 42 **Date**

43 Ms. Cerbone presented Resolution 2018-03. She reviewed the Fiscal Year 2019 budget,  
 44 which included any changes discussed at the last meeting. The on-roll and off-roll units would  
 45 be finalized prior to submitting the assessment roll to the Tax Collector.

46 **\*\*\*Ms. Cerbone opened the Public Hearing.\*\*\***

47 No members of the public spoke.

48 **\*\*\*Ms. Cerbone closed the Public Hearing.\*\*\***

49

50 **On MOTION by Mr. Watson and seconded by Mr. Peshkin, with**  
 51 **all in favor, Resolution 2018-03, Relating to the Annual**  
 52 **Appropriations and Adopting the Budget for the Fiscal Year**  
 53 **Beginning October 1, 2018, and Ending September 30, 2019;**  
 54 **Authorizing Budget Amendments; and Providing an Effective**  
 55 **Date, was adopted.**

56

57

58 **FOURTH ORDER OF BUSINESS**

**Consideration of Resolution 2018-04,**  
**Making a Determination of Benefit and**  
**Imposing Special Assessments for Fiscal**  
**Year 2018/2019; Providing for the**  
**Collection and Enforcement of Special**  
**Assessments; Certifying an Assessment**  
**Roll; Providing for Amendments to the**  
**Assessment Roll; Providing a Severability**  
**Clause; and Providing an Effective Date**

68 Ms. Cerbone presented Resolution 2018-04.

69

70 **On MOTION by Mr. Watson and seconded by Mrs. Hays, with all**  
 71 **in favor, Resolution 2018-04, Making a Determination of Benefit**  
 72 **and Imposing Special Assessments for Fiscal Year 2018/2019;**  
 73 **Providing for the Collection and Enforcement of Special**  
 74 **Assessments; Certifying an Assessment Roll; Providing for**  
 75 **Amendments to the Assessment Roll; Providing a Severability**  
 76 **Clause; and Providing an Effective Date, was adopted.**

77 **FIFTH ORDER OF BUSINESS** **Presentation of Audited Financial Report**  
78 **for Fiscal Year Ended September 30, 2017,**  
79 **Prepared by McDirmit Davis & Company,**  
80 **LLC**  
81

82 Ms. Cerbone presented the Audited Financial Report for Fiscal Year Ended September  
83 30, 2017 and described the information that could be found on each page. This audit was  
84 consistent with past audits. This was an unqualified opinion and there were no prior or current  
85 year findings or instances of noncompliance; it was a clean audit.

86

87 **SIXTH ORDER OF BUSINESS** **Consideration of Resolution 2018-05,**  
88 **Accepting the Audited Financial Report for**  
89 **the Fiscal Year Ended September 30, 2017**  
90

91 Ms. Cerbone presented Resolution 2018-05.

92

93 **On MOTION by Mr. Watson and seconded by Mrs. Hays, with all**  
94 **in favor, Resolution 2018-05, Accepting the Audited Financial**  
95 **Report for the Fiscal Year Ended September 30, 2017, was**  
96 **adopted.**

97

98

99 **SEVENTH ORDER OF BUSINESS** **Consideration of Resolution 2018-06,**  
100 **Adopting the Annual Meeting Schedule for**  
101 **Fiscal Year 2018/2019**  
102

103 Ms. Cerbone presented Resolution 2018-06. The following change was made:

104 October and November 2018: Schedule meetings on every Wednesday at 10:00 a.m.

105

106 **On MOTION by Mr. Watson and seconded by Mrs. Hays, with all**  
107 **in favor, Resolution 2018-06, Adopting the Annual Meeting**  
108 **Schedule for Fiscal Year 2018/2019, as amended, was adopted.**

109

110

111 **EIGHTH ORDER OF BUSINESS** **Discussion: Next Bond Issuance**  
112

113 Mr. Watson stated that the purchase of a parcel of land not currently in the District  
114 would be pursued; therefore, the necessary steps to add that land to the District should be

115 done. Mr. Babbar stated that the necessary documents and a resolution regarding boundary  
 116 expansion could be presented. A legal description of the land was needed and the addition  
 117 could wait until the closing or the current owner could consent to the expansion, contingent  
 118 upon the closing. Mr. Watson stated that the closing was anticipated for the end of the year  
 119 but the Engineer’s Report would have some flexibility with respect to that parcel. He believed  
 120 that the current land owner might be agreeable to the land being in the District, prior to the  
 121 closing, provided the District does not issue debt against it. Mr. Babbar stated that assessments  
 122 cannot be placed on the property until it is annexed into the District but assurances could be  
 123 provided to the landowner. The Resolution that would be presented at the next meeting would  
 124 be to proceed with filing for the expansion; prior to issuing bonds and assessments, the land  
 125 should be annexed into the District, which could take three to six months. District Counsel  
 126 would begin preparing the documents and Resolution for presentation at the next meeting.

127

128 **NINTH ORDER OF BUSINESS**

**Approval of Requisition(s)**

129

130 There were no requisitions to approve.

131

132 **TENTH ORDER OF BUSINESS**

**Ratification of Contract/Change  
Order(s)/Purchase Order(s)**

133

134

135 There was nothing to ratify.

136

137 **ELEVENTH ORDER OF BUSINESS**

**Acceptance of Unaudited Financial  
Statements as of May 31, 2018**

138

139

140 Ms. Cerbone presented the Unaudited Financial Statements as of May 31, 2018.

141

<p>142 <b>On MOTION by Mrs. Hays and seconded by Mr. Peshkin, with all</b>          143 <b>in favor, the Unaudited Financial Statements as of May 31, 2018,</b>          144 <b>were approved.</b></p>
--

145

146

147 **TWELFTH ORDER OF BUSINESS**

**Approval of May 2, 2018 Regular Meeting  
Minutes**

148

149

150 Ms. Cerbone presented the May 2, 2018 Regular Meeting Minutes and asked for any  
151 additions, deletions or corrections.

152

153

154

155

**On MOTION by Mr. Watson and seconded by Mrs. Hays, with all in favor, the May 2, 2018 Regular Meeting Minutes, as presented, were approved.**

156

157

158 **THIRTEENTH ORDER OF BUSINESS**

**Staff Reports**

159

160 **A. District Counsel: *Straley & Robin***

161 There being nothing further to report, the next item followed.

162 **B. District Engineer: *AM Engineering, Inc.***

163 There being no report, the next item followed.

164 **C. District Manager: *Wrathell, Hunt and Associates, LLC***

165 **i. Consideration of ADA Site Compliance Proposal for Website Compliance**

166 **Shield, Accessibility Policy and One (1) Annual Technological Audit**

167 Ms. Cerbone stated that approximately over 80 CDDs were sued by the same individual  
168 because their websites were not compliant with the Americans with Disabilities Act (ADA) with  
169 regard to accessibility to documents by the blind. The complaints were sent to the insurance  
170 carrier, who hired the law firm Roper & Roper (R&R) to represent Management's CDDs. R&R  
171 requested to hold a Shade Session with each Board regarding what has happened and other  
172 details. The Shade Session would be held on August 15, 2018, the same day as a normally  
173 scheduled meeting. Mr. Babbar stated that the Shade Session would remain confidential until  
174 the litigation is resolved.

175 Ms. Cerbone stated that ADA website accessibility is not a law, it is only a guideline;  
176 however, various law firms have recommended that the CDD websites be brought into  
177 compliance. Management contracted with an IT company, ADA Site Compliance (ADASC),  
178 which specializes in ADA compliance, to commence the ADA compliance remediation to bring  
179 the websites into ADA compliance. Documents would be removed that are not required or for  
180 which the time requirement to have them on the website has expired; gradually, the website  
181 will be reduced to contain only those documents that are required to be posted. An "ADA Site

182 Compliance Accessibility Policy” seal was placed on the websites, which states that ADA  
 183 accessibility issues are being remediated and those with questions or requiring assistance  
 184 should call or email ADASC, etc. Management entered into an agreement, on behalf of all of  
 185 Management’s Districts, to bring each CDD’s website into ADA compliance, at an annual rate of  
 186 \$200 per CDD. Management’s staff is training with the IT company and webmaster to learn the  
 187 requirements and how to make the websites ADA compliant. Mrs. Hays asked if this would be a  
 188 one-time fee, as Management Staff would be trained to do this, in future years. Ms. Cerbone  
 189 stated unless something else arose, Management would not enter into any future agreements  
 190 with ADASC, without first consulting the Board. Regarding why old documents would be  
 191 removed from the website, Ms. Cerbone stated that it would be cumbersome to bring all of  
 192 them into compliance and it was felt that the safest approach was to keep the minimum  
 193 documents on the website; however, the public could request documents from the CDD. Mrs.  
 194 Hays asked if the District would receive a letter or confirmation from a governmental agency  
 195 that the website is ADA-compliant. Ms. Cerbone would find out.

196

**On MOTION by Mr. Watson and seconded by Mrs. Hays, with all in favor, the ADA Site Compliance Agreement for services related to bringing the website into ADA compliance, in the amount of \$200, was ratified.**

197

198

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203

**ii. NEXT MEETING DATE: August 1, 2018 at 10:00 A.M.**

204

The next meeting will be held on August 1, 2018 at 10:00 a.m., at this location. In  
 205 addition to the regularly scheduled August 15, 2018 meeting, a Shade Session would also be  
 206 held.

207

**FOURTEENTH ORDER OF BUSINESS**

**Board Members’ Comments/Requests**

209

There being no Board Members’ comments or requests, the next item followed.

211

**FIFTEENTH ORDER OF BUSINESS**

**Public Comments**

213

There being no public comments, the next item followed.

214

215 **SIXTEENTH ORDER OF BUSINESS**

**Adjournment**

216

217           There being nothing further to discuss, the meeting adjourned.

218

219

**On MOTION by Mrs. Hays and seconded by Mr. Peshkin, with all  
in favor, the meeting adjourned at 10:35 a.m.**

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Secretary/Assistant Secretary

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Chair/Vice Chair

**TOSCANA ISLES  
COMMUNITY DEVELOPMENT DISTRICT**

**13B**

**DRAFT**

**MINUTES OF MEETING  
TOSCANA ISLES  
COMMUNITY DEVELOPMENT DISTRICT**

A Regular Meeting of the Board of Supervisors of the Toscana Isles Community Development District was held on Wednesday, August 1, 2018, at 10:00 a.m., at the offices of Vanguard Land, LLC, located at 6561 Palmer Park Circle, Suite B, Sarasota, Florida 34238.

**Present at the meeting were:**

Samantha Hays	Chair
Brian Watson	Vice Chair
Alexander Hays	Assistant Secretary

**Also present were:**

Cindy Cerbone	District Manager
John Vericker ( <i>via telephone</i> )	District Counsel

**FIRST ORDER OF BUSINESS**

**Call to Order/Roll Call**

Ms. Cerbone called the meeting to order at 10:00 a.m. Supervisors Samantha Hays, Alexander Hays and Brian Watson were present, in person. Supervisors John Peshkin and Daniel Peshkin were not present.

**SECOND ORDER OF BUSINESS**

**Public Comments**

There being no public comments, the next item followed.

**THIRD ORDER OF BUSINESS**

**Approval of Requisition(s)**

There were no requisitions to approve.

**FOURTH ORDER OF BUSINESS**

**Ratification of Contract/Change  
Order(s)/Purchase Order(s)**

There was nothing to ratify.

39 **FIFTH ORDER OF BUSINESS**

**Consideration of Resolution 2018-07, Authorizing the Expansion of the Toscana Isles Community Development District (the "District") and Authorizing the Submittal of a Petition to Expand the District to the City Council of the City of Venice, Florida, Under Section 190.046, Florida Statutes**

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47

Ms. Cerbone presented Resolution 2018-07 and read the title.

48 Mr. Vericker stated that the Landowner/Developer wants to petition the City to add a  
49 small portion of property to the boundaries of the District. Upon approval by the City, the  
50 Ordinance would be amended to expand the District's boundaries. Mr. Watson stated that the  
51 addition would be two, small contiguous parcels to the existing CDD totaling approximately  
52 10.5 acres.

53

**On MOTION by Mr. Watson and seconded by Mr. Hays, with all in favor, the Resolution 2018-07, Authorizing the Expansion of the Toscana Isles Community Development District (the "District") and Authorizing the Submittal of a Petition to Expand the District to the City Council of the City of Venice, Florida, Under Section 190.046, Florida Statutes, was adopted.**

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62 **SIXTH ORDER OF BUSINESS**

**Acceptance of Unaudited Financial Statements as of June 30, 2018**

63  
64  
65  
66

Ms. Cerbone presented the Unaudited Financial Statements as of June 30, 2018.

**On MOTION by Mr. Watson and seconded by Mr. Hays, with all in favor, the Unaudited Financial Statements as of June 30, 2018, were approved.**

67  
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71

72 **SEVENTH ORDER OF BUSINESS**

**Staff Reports**

73  
74

**A. District Counsel: *Straley & Robin***

75 Mr. Vericker recalled that Special Counsel in the Americans with Disabilities Act (ADA)  
76 claim related to noncompliance with ADA website requirements requested a Shade Session.

77 Ms. Carbone stated that a regular meeting was scheduled for August 29, 2018 and a Shade  
78 Session would be included as part of that meeting.

79 **B. District Engineer: *AM Engineering, Inc.***

80 There being no report, the next item followed.

81 **C. District Manager: *Wrathell, Hunt and Associates, LLC***

82 **i. UPCOMING MEETINGS**

- 83 • **August 15, 2018 at 10:00 A.M.**
- 84 • **August 29, 2018 at 10:00 A.M.**

85 The next meeting will be held on August 15, 2018 at 10:00 a.m., at this location. A  
86 meeting, including a Shade Session, will be held on August 29, 2018 at 10:00 a.m., at this  
87 location.

88

89 **EIGHTH ORDER OF BUSINESS**

**Board Members' Comments/Requests**

90

91 There being no Board Members' comments or requests, the next item followed.

92

93 **NINTH ORDER OF BUSINESS**

**Public Comments**

94

95 There being no public comments, the next item followed.

96

97 **TENTH ORDER OF BUSINESS**

**Adjournment**

98

99 There being nothing further to discuss, the meeting adjourned.

100

101

**On MOTION by Mr. Watson and seconded by Mrs. Hays, with all  
102 in favor, the meeting adjourned at 10:05 a.m.**

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[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

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Secretary/Assistant Secretary

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Chair/Vice Chair

**TOSCANA ISLES  
COMMUNITY DEVELOPMENT DISTRICT**

**13C**

**DRAFT**

**MINUTES OF MEETING  
TOSCANA ISLES  
COMMUNITY DEVELOPMENT DISTRICT**

A Regular Meeting of the Board of Supervisors of the Toscana Isles Community Development District was held on Wednesday, August 15, 2018, at 10:00 a.m., at the offices of Vanguard Land, LLC, located at 6561 Palmer Park Circle, Suite B, Sarasota, Florida 34238.

**Present at the meeting were:**

Samantha Hays	Chair
Alexander Hays	Assistant Secretary
Daniel Peshkin	Assistant Secretary

**Also present were:**

Cindy Cerbone <i>(via telephone)</i>	District Manager
John Vericker <i>(via telephone)</i>	District Counsel

**DUE TO TECHNICAL DIFFICULTIES, AUDIO WAS NOT AVAILABLE**

**THE MINUTES WERE TRANSCRIBED FROM THE MEETING NOTES**

**FIRST ORDER OF BUSINESS**

**Call to Order/Roll Call**

Ms. Cerbone called the meeting to order at 10:00 a.m. Supervisors Samantha Hays, Alexander Hays and Brian Watson were present, in person. Supervisors Watson and John Peshkin were not present.

**SECOND ORDER OF BUSINESS**

**Public Comments**

There being no public comments, the next item followed.

**THIRD ORDER OF BUSINESS**

**Approval of Requisition(s)**

There were no requisitions to approve.

38 **FOURTH ORDER OF BUSINESS** Ratification of Contract/Change  
39 Order(s)/Purchase Order(s)

40  
41 There was nothing to ratify.

42  
43 **FIFTH ORDER OF BUSINESS** Continued Discussion: District Expansion

44  
45 There was nothing to discuss.

46  
47 **SIXTH ORDER OF BUSINESS** Discussion/Consideration of Settlement  
48 Offer

49  
50 The settlement offer was presented and discussed.

51  
52 **On MOTION by Mr. Hays and seconded by Mrs. Hays, with all in**  
53 **favor, the settlement offer, was approved.**

54  
55  
56 The August 29, 2018 meeting and Shade Session would be cancelled.

57  
58 **SEVENTH ORDER OF BUSINESS** Staff Reports

59  
60 **A. District Counsel: *Straley & Robin***

61 There being no report, the next item followed.

62 **B. District Engineer: *AM Engineering, Inc.***

63 There being no report, the next item followed.

64 **C. District Manager: *Wrathell, Hunt and Associates, LLC***

65 **i. UPCOMING MEETINGS**

- 66 • **September 5, 2018 at 10:00 A.M.**
- 67 • **September 19, 2018 at 10:00 A.M.**

68 The next meetings will be held on September 5 and 19, 2018 at 10:00 a.m., at this  
69 location.

70  
71 **EIGHTH ORDER OF BUSINESS** Board Members' Comments/Requests

72           There being no Board Members' comments or requests, the next item followed.

73

74   **NINTH ORDER OF BUSINESS**

**Public Comments**

75

76           There being no public comments, the next item followed.

77

78   **TENTH ORDER OF BUSINESS**

**Adjournment**

79

80           There being nothing further to discuss, the meeting adjourned.

81

82           **On MOTION by Mr. Hays and seconded by Mrs. Hays, with all in**  
83           **favor, the meeting adjourned at 10:10 a.m.**

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[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

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Secretary/Assistant Secretary

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Chair/Vice Chair

**TOSCANA ISLES  
COMMUNITY DEVELOPMENT DISTRICT**

**14Ci**

**TOSCANA ISLES COMMUNITY DEVELOPMENT DISTRICT  
NOTICE OF FISCAL YEAR 2019 MEETINGS**

The Board of Supervisors ("Board") of the Toscana Isles Community Development District ("District") will hold Regular Meetings for Fiscal Year 2019 at 10:00 a.m., at the offices of Vanguard Land, LLC, located at 6561 Palmer Park Circle, Suite B, Sarasota, FL 34238, on the following dates:

October 3, 2018  
October 10, 2018  
October 17, 2018  
October 24, 2018  
October 31, 2018  
November 7, 2018 (*Landowners' Meeting & Regular Meeting*)  
November 14, 2018  
November 21, 2018  
November 28, 2018  
December 5, 2018  
December 19, 2018  
January 2, 2019  
January 16, 2019  
February 6, 2019  
February 20, 2019  
March 6, 2019  
March 20, 2019  
April 3, 2019  
April 17, 2019  
May 1, 2019  
May 15, 2019  
June 5, 2019  
June 19, 2019  
July 3, 2019  
July 17, 2019  
August 7, 2019  
August 21, 2019  
September 4, 2019  
September 18, 2019

The purpose of the meetings is for the Board to consider any business which may properly come before it. The meetings are open to the public and will be conducted in accordance with the provision of Florida Law for Community Development Districts. The meetings may be continued to a date, time, and place to be specified on the record at the meeting. A copy of the agenda for these meetings may be obtained from Wrathell, Hunt & Associates, LLC, 2300 Glades Road, Suite 410W, Boca Raton, Florida 33431 or by calling (561) 571-0010.

There may be occasions when one or more Supervisors or staff will participate by telephone. Pursuant to provisions of the Americans with Disabilities Act, any person requiring special accommodations at this meeting because of a disability or physical impairment should contact the District Office at (561) 571-0010 at least 48 hours prior to the meeting. If you are hearing or speech impaired, please contact the Florida Relay Service by dialing 7-1-1, or 1-800-955-8771 (TTY) / 1-800-955-8770 (Voice), for aid in contacting the District Office.

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

**District Manager  
Toscana Isles Community Development District**