

**WIREFRASS COMMUNITY  
DEVELOPMENT DISTRICT**

**BOARD OF SUPERVISORS  
MEETING  
FEBRUARY 3, 2016**

# WIREGRASS COMMUNITY DEVELOPMENT DISTRICT AGENDA FEBRUARY 3, 2016 at 9:00 A.M.

Offices of Rizzetta & Company, Inc  
5844 Old Pasco Road, Suite 100  
Wesley Chapel, FL 33544.

<b>District Board of Supervisors</b>	Bill Porter Mike Gramling Colby Chandler Deborah Porter Quinn Miller	Chairman Vice Chairman Assistant Secretary Assistant Secretary Assistant Secretary
<b>District Manager</b>	Clifton Fischer	Rizzetta & Company, Inc.
<b>District Counsel</b>	Jonathon Johnson	Hopping, Green & Sams
<b>District Engineer</b>	Scott Sheridan	King Engineering, Inc.

**All Cellular phones and pagers must be turned off while in the clubhouse.**

## **The District Agenda is comprised of six different sections:**

The meeting will begin promptly at **9:00 a.m.** with the first section which is called **Audience Comments on Agenda Items**. The Audience Comment portion of the agenda is where individuals may comment on matters that concern the District. Each individual is limited to three (3) minutes for such comment. The Board of Supervisors or Staff is not obligated to provide a response until sufficient time for research or action is warranted. **IF THE COMMENT CONCERNS A MAINTENANCE RELATED ITEM, THE ITEM WILL NEED TO BE ADDRESSED BY THE DISTRICT MANAGER OUTSIDE THE CONTEXT OF THIS MEETING.** The second section is called the **Business Administration** section and contains items that require the review and approval of the District Board of Supervisors as a normal course of business. The third section is called **Business Items**. The business items section contains items for approval by the District Board of Supervisors that may require discussion, motion and votes on an item-by-item basis. Occasionally, certain items for decision within this section are required by Florida Statute to be held as a Public Hearing. During the Public Hearing portion of the agenda item, each member of the public will be permitted to provide one comment on the issue, prior to the Board of Supervisors' discussion, motion and vote. Agendas can be reviewed by contacting the Manager's office at (813) 994-1001 at least seven days in advance of the scheduled meeting. Requests to place items on the agenda must be submitted in writing with an explanation to the District Manager at least fourteen (14) days prior to the date of the meeting. The fourth section is called **Staff Reports**. This section allows the District Manager, Engineer, and Attorney to update the Board of Supervisors on any pending issues that are being researched for Board action. The fifth section which is called **Audience Comments on Other Items** provides members of the audience the opportunity to comment on matters of concern to them that were not addressed during the meeting. The same guidelines used during the first audience comment section will apply here as well. The final section is called **Supervisor Requests**. This is the section in which the Supervisors may request Staff to prepare certain items in an effort to meet residential needs.

Public workshops sessions may be advertised and held in an effort to provide informational services. These sessions allow staff or consultants to discuss a policy or business matter in a more informal manner and allow for lengthy presentations prior to scheduling the item for approval. Typically no motions or votes are made during these sessions.

Pursuant to provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this meeting is asked to advise the District Office at (813) 994-1001, at least 48 hours before the meeting. If you are hearing or speech impaired, please contact the Florida Relay Service at 1 (800) 955-8770, who can aid you in contacting the District Office.

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

**WIREGRASS COMMUNITY DEVELOPMENT DISTRICT**  
**DISTRICT OFFICE • 5844 OLD PASCO ROAD • SUITE 100 • WESLEY CHAPEL, FL 33544**  
[www.wiregrasscdd.org](http://www.wiregrasscdd.org)

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February 1, 2016

Board of Supervisors  
**Wiregrass Community  
Development District**

Dear Board Members:

The continued meeting of the Board of Supervisors of the Wiregrass Community Development District will be held on **Wednesday, February 3, 2016 at 9:00 a.m.** at the office of Rizzetta & Company, Inc., located at 5844 Old Pasco Road, Suite 100, Wesley Chapel, FL 33544. The following is the tentative agenda for the Board meeting:

- 1. CALL TO ORDER/ROLL CALL**
- 2. AUDIENCE COMMENTS**
- 3. BUSINESS ADMINISTRATION**  
None
- 4. BUSINESS ITEMS**
  - A. Consideration of Bond Related Matters
    1. Consideration of Resolution 2016-07, Bond Delegation  
Resolution.....Tab 1
- 5. STAFF REPORTS**
  - A. District Counsel
  - B. District Engineer
  - C. District Manager
- 6. AUDIENCE COMMENTS ON OTHER ITEMS**
- 7. SUPERVISOR REQUESTS**
- 8. ADJOURNMENT**

I look forward to seeing you at the meeting. In the meantime, if you have any questions, please do not hesitate to call me at (813) 994-1001.

Very truly yours,

***Clif Fischer***  
Clifton Fischer  
District Manager

cc. Jonathon Johnson, Hopping, Green, & Sam  
Scott Sheridan, King Engineering, Inc.

# Tab 1

**RESOLUTION NO. 2016-07**

**A RESOLUTION DELEGATING TO THE CHAIRMAN OR VICE CHAIRMAN OF THE WIREGRASS COMMUNITY DEVELOPMENT DISTRICT THE AUTHORITY TO APPROVE THE SALE AND TERMS OF SALE OF WIREGRASS COMMUNITY DEVELOPMENT DISTRICT CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2016 (THE "2016 BONDS"); ESTABLISHING THE MAXIMUM INTEREST RATES, MAXIMUM MATURITY DATE, AND REDEMPTION PROVISIONS THEREOF; AUTHORIZING THE CHAIRMAN OR VICE CHAIRMAN TO ACCEPT THE BOND PURCHASE AGREEMENT FOR SAID BONDS; APPROVING THE FORM OF CONTINUING DISCLOSURE AGREEMENT; APPROVING THE FORM OF SECOND SUPPLEMENTAL TRUST INDENTURE AND AUTHORIZING THE EXECUTION AND DELIVERY THEREOF BY CERTAIN OFFICIALS AND OFFICERS OF WIREGRASS COMMUNITY DEVELOPMENT DISTRICT; AUTHORIZING THE CHAIRMAN OR VICE CHAIRMAN TO APPROVE THE FORM OF AND AUTHORIZING THE USE OF THE PRELIMINARY LIMITED OFFERING MEMORANDUM AND LIMITED OFFERING MEMORANDUM; APPROVING THE FORM OF THE BOND PURCHASE AGREEMENT WITH RESPECT TO SAID BONDS; AUTHORIZING CERTAIN OFFICIALS AND EMPLOYEES OF WIREGRASS COMMUNITY DEVELOPMENT DISTRICT TO TAKE ALL ACTIONS REQUIRED AND EXECUTE AND DELIVER ALL DOCUMENTS, INSTRUMENTS AND CERTIFICATES NECESSARY IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF SAID BONDS; AUTHORIZING CERTAIN OFFICIALS AND EMPLOYEES OF WIREGRASS COMMUNITY DEVELOPMENT DISTRICT TO TAKE ALL ACTIONS AND ENTER INTO SUCH AGREEMENTS AND ALL AGREEMENTS REQUIRED IN CONNECTION WITH THE ACQUISITION AND CONSTRUCTION OF THE 2016 PROJECT; SPECIFYING THE APPLICATION OF THE PROCEEDS OF SAID BONDS; PROVIDING CERTAIN OTHER DETAILS WITH RESPECT TO SAID BONDS; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the Board of Supervisors of Wiregrass Community Development District (the "Board" and the "District," respectively) has determined to proceed at this time with the sale and issuance of Wiregrass Community Development District Capital Improvement Revenue Bonds, Series 2016 (the "Series 2016 Bonds") to be issued under and pursuant to a Master Trust Indenture, dated as of September 1, 2014 (the "Master Trust Indenture") from the District to U.S. Bank National Association, Orlando, Florida, as trustee (the "Trustee"), as amended and supplemented by a Second Supplemental Trust Indenture, dated as of February 1, 2016 (the "Second

Supplemental Trust Indenture") (the Master Trust Indenture, as amended and supplemented by the Second Supplemental Trust Indenture is hereinafter referred to as the "Indenture") from the District to the Trustee;

**WHEREAS**, the Board has received a proposal from MBS Capital Markets, LLC (the "Underwriter") for the purchase of the Series 2016 Bonds within parameters to be established by the Board and the Board has determined that authorization of the Chairman or Vice Chairman to enter into a Bond Purchase Agreement (the "Purchase Contract") in substantially the form attached hereto for the sale of the Series 2016 Bonds to the Underwriter within the parameters herein set forth is in the best interests of the District for the reasons hereafter indicated; and

**WHEREAS**, in conjunction with the sale and issuance of the Series 2016 Bonds, it is necessary to approve the form of Second Supplemental Trust Indenture, to establish the parameters for the principal amounts, interest rates, maturities, redemption provisions, underwriting discount, costs and certain other details with respect thereto as set forth in Schedule I attached hereto (the "Parameters"), to authorize and approve the use of the Preliminary Limited Offering Memorandum relating to the Series 2016 Bonds and the form of the final Limited Offering Memorandum, to approve forms of the Series 2016 Bonds and to provide for various other matters with respect to the Series 2016 Bonds and the 2016 Project;

**NOW, THEREFORE,**

**BE IT RESOLVED** that:

**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.

**2. Award.** The Purchase Contract in the form attached hereto as Exhibit "A" is hereby approved and sale of the Series 2016 Bonds to the Underwriter upon the terms and conditions therein set forth, but within the Parameters, is hereby approved. The Chairman or Vice Chairman and the Secretary or any Assistant Secretary are hereby authorized and directed to execute and deliver the Purchase Contract on behalf of the District. The Chairman or Vice Chairman is hereby authorized to execute and the Secretary or any Assistant Secretary is authorized to attest the Purchase Contract which, when executed and delivered by the District and the Underwriter, shall be the legal, valid, binding obligation of the District, enforceable in accordance with its terms. The Chairman or Vice Chairman and the Secretary or any Assistant Secretary are hereby authorized and directed to execute, by manual or facsimile signature, seal or cause a facsimile seal to be impressed thereon, and deliver or cause to be delivered to the Trustee the Series 2016 Bonds for authentication and then to deliver or cause to be

delivered the Series 2016 Bonds to or upon the order of the Underwriter, upon payment by the Underwriter of the Purchase Price.

**3. Negotiated Sale.** The Board hereby determines that a negotiated sale of the Series 2016 Bonds to the Underwriter is in the best interests of the District because the market for instruments such as the Series 2016 Bonds is limited, because of prevailing market conditions and because the delays caused by soliciting competitive bids could adversely affect the District's ability to issue and deliver the Series 2016 Bonds.

**4. Second Supplemental Trust Indenture.** Attached hereto as Exhibit "B" is the form of Second Supplemental Trust Indenture, which is hereby authorized and approved, subject to such changes, additions, deletions and insertions as shall be approved by the Chairman and the Secretary, which approval shall be conclusively evidenced by the execution thereof. The Chairman or Vice Chairman is hereby authorized to execute and the Secretary or any Assistant Secretary is authorized to attest such Second Supplemental Trust Indenture and the Chairman or Vice Chairman is hereby authorized to deliver to the Trustee the Second Supplemental Trust Indenture which, when executed and delivered by the Trustee shall constitute the legal, valid, binding obligation of the District, enforceable in accordance with its terms. The appointment of U.S. Bank National Association as Trustee, Paying Agent and Bond Registrar is hereby ratified and confirmed.

**5. Description of Series 2016 Bonds.** The Series 2016 Bonds shall be dated the date the Series 2016 Bonds are issued, may be issued in one series, but with separate designations as to such series, having such details as shall be set forth in the Purchase Contract and as reflected in the Second Supplemental Trust Indenture, but within the Parameters. The Series 2016 Bonds may be signed by the manual or facsimile signature of the Chairman or Vice Chairman and initially countersigned by the manual or facsimile signature of the Secretary or any Assistant Secretary. The Series 2016 Bonds shall, subject to the Parameters, be in the forms and subject to redemption on the terms, at the times and prices and in the manner provided in the Purchase Contract and in the form of Series 2016 Bonds attached to the Second Supplemental Trust Indenture, which form is hereby approved, subject to such changes, additions, deletions and insertions as shall be approved by the Chairman or Vice Chairman and the Secretary, which approval shall be conclusively evidenced by the execution thereof. The Chairman or Vice Chairman is hereby authorized to execute and the Secretary or any Assistant Secretary is authorized to attest the Series 2016 Bonds, and the Chairman or Vice Chairman is hereby authorized to deliver to the Trustee for authentication and delivery to the Underwriter the Series 2016 Bonds which, when executed and delivered by the Trustee, shall be the legal, valid, binding obligations of the District, enforceable in accordance with their terms.

**6. Preliminary Limited Offering Memorandum and Limited Offering Memorandum and Continuing Disclosure Agreement.** The Chairman or Vice Chairman is hereby authorized to approve the form and content of the Preliminary Limited Offering Memorandum (the form of which is attached hereto as Exhibit "C," the "Preliminary Limited Offering Memorandum") with such changes, insertions and deletions as shall be made prior to its distribution and the final form of which is to be dated the date of execution and delivery of the Purchase Contract (the "Limited Offering Memorandum") relating to the Series 2016 Bonds. The Chairman or Vice Chairman and the Secretary or any Assistant Secretary are hereby authorized to execute on behalf of the District such Limited Offering Memorandum with such additions, deletions, and other changes thereto as such officers may approve (such approval to be conclusively evidenced by their execution of said Limited Offering Memorandum), and to deliver such Limited Offering Memorandum to the Underwriter in sufficient quantities for use by the Underwriter in marketing the Series 2016 Bonds. The Chairman or Vice Chairman is hereby authorized to deem "final" the Preliminary Limited Offering Memorandum for the purposes and within the meaning of Section 240.15c2-12 Code of Federal Regulations (the "SEC Rule") (except for information concerning the offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings or other terms dependent upon such matters, and except for such technical and conforming changes which shall be approved by an Authorized Officer which approval shall be evidenced by the execution thereof). The Limited Offering Memorandum shall be made available to the Underwriter in a form suitable for delivery to potential customers within seven (7) business days after the date of acceptance of the Purchase Contract by the District.

If at anytime from the date hereof until the "end of the underwriting period" (as defined in the SEC Rule) the District becomes aware of the occurrence of any event or circumstance 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 reasonable opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Limited Offering Memorandum, the District will supplement or amend the Limited Offering Memorandum or cause the Limited Offering Memorandum to be supplemented or amended in a form and in a manner approved by the Underwriters.

The Continuing Disclosure Agreement relating to the Series 2016 Bonds in the form attached hereto as Exhibit "D" is hereby approved, subject to such changes, additions, deletions and insertions as shall be approved by the Chairman or Vice Chairman and the Secretary or any Assistant Secretary, which approval shall be conclusively evidenced by the execution thereof. The Chairman or Vice Chairman is hereby authorized to execute and the Secretary or any Assistant Secretary is authorized to attest the Continuing Disclosure Agreement, which, when executed and

delivered by the District shall be the legal, valid, binding obligation of the District, enforceable in accordance with its terms.

**7. 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 Series 2016 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 requirements of Florida Statutes, Section 286.011.

**8. Other Actions.** The Chairman or Vice Chairman, the Secretary or any Assistant Secretary, and all other members, officers and employees of the Board and the District are hereby authorized and directed to take all actions necessary or desirable in connection with the issuance and delivery of the Series 2016 Bonds and the consummation of all transactions in connection therewith, including the execution of all necessary or desirable certificates, documents, papers, and agreements and the undertaking and fulfillment of all transactions referred to in or contemplated by the Limited Offering Memorandum, the Indenture, this Resolution and the Purchase Contract, in all cases, within the Parameters.

**9. Deposits to Funds and Accounts.** The Trustee is hereby authorized and directed to apply the proceeds of the Series 2016 Bonds in the amounts and in the manner set forth in Section 402 of the Second Supplemental Trust Indenture.

**10. Undertaking of the 2016 Project and Execution and Delivery of Other Instruments.** The Board hereby authorizes the undertaking of the 2016 Project (as defined in the Second Supplemental Trust Indenture) upon the terms and conditions as shall be set forth in the Indenture and as described in the Limited Offering Memorandum. The Board hereby authorizes the Chairman or Vice Chairman and the Secretary or any Assistant Secretary to execute and deliver, receive or enter into the such agreements, contracts, documents, instruments, certificates and proceedings incident thereto or necessary in order to effect the undertaking of the 2016 Project and the issuance, sale and delivery of the Series 2016 Bonds.

**11. Effective Date.** This Resolution shall take effect immediately upon its adoption.

**PASSED** in Public Session of the Board of Supervisors of Wiregrass Community Development District, this 27th day of January, 2016.

**WIREGRASS COMMUNITY  
DEVELOPMENT DISTRICT**

Attest:

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Secretary/Assistant Secretary

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Chairman/Vice Chairman,  
Board of Supervisors

**SCHEDULE I  
PARAMETERS**

Maximum Principal Amount:	Not To Exceed \$15,000,000.00
Maximum Coupon Rate:	Maximum statutory rate
Maximum Underwriting Discount:	2.00%
Not to Exceed Maturity Date:	May 1, 2048
Redemption Provisions:	The Series 2016 Bonds shall be subject to redemption as set forth in the form of Series 2016 Bond attached to the form of Second Supplemental Trust Indenture attached hereto and shall be subject to optional redemption no later than May 1, 2029 at par.

**EXHIBIT A**  
**FORM OF PURCHASE CONTRACT**

**EXHIBIT B**  
**FORM OF SECOND SUPPLEMENTAL TRUST INDENTURE**

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**SECOND SUPPLEMENTAL TRUST INDENTURE**

**WIREGRASS  
COMMUNITY DEVELOPMENT DISTRICT**

**TO  
U.S. BANK NATIONAL ASSOCIATION,  
AS TRUSTEE**

**Dated as of February 1, 2016**

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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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**SECOND SUPPLEMENTAL  
TRUST INDENTURE**

**THIS IS THE SECOND SUPPLEMENTAL TRUST INDENTURE** (the "Second Supplemental Indenture") dated as of February 1, 2016, from **WIREGRASS 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 forth, with its designated corporate trust office located at 225 East Robinson Street, Suite 250, Orlando, Florida 32801, Attention: Corporate Trust Department.

**WHEREAS**, the District has entered into a Master Trust Indenture, dated as of September 1, 2014 (the "Master Indenture," and together with this Second Supplemental Indenture, the "Indenture") with the Trustee to secure the issuance of its Wiregrass Community Development District Capital Improvement Revenue Bonds (the "Bonds"), issuable in one or more series from time to time; and

**WHEREAS**, pursuant to Resolution No. 2013-11 (the "Bond Resolution") adopted by the Governing Body on July 11, 2013, the District has authorized the issuance, sale and delivery of not to exceed \$55,000,000 of Bonds, to be issued in one or more Series of Bonds as authorized under the Master Indenture, which Bonds were validated by final judgment of the Circuit Court of Pasco County, Florida on November 12, 2013; and

**WHEREAS**, the Governing Body of the District duly adopted Resolution No. 2015-[ ], on [ ], providing for the acquisition, construction and installation of assessable capital improvements (the "Capital Improvement Program"), providing estimated Costs of the Capital Improvement Program, defining assessable property to be benefited by the Capital Improvement Program, defining the portion of the Costs of the Capital Improvement Program with respect to which Assessments will be imposed and the manner in which such Assessments shall be levied against such benefited property within the District, directing the preparation of an assessment roll, and, stating the intent of the District to issue Bonds of the District secured by such Assessments to finance the costs of the acquisition, construction and installation of the Capital Improvement Program (the "Preliminary Assessment Resolution") and the Governing Body of the District duly adopted Resolution No. 2015-[ ], on [ ], following a public hearing

conducted in accordance with the Act, to fix and establish the Assessments and the benefited property (collectively, the "Assessment Resolution"); and

**WHEREAS**, pursuant to Resolution No. 2016-[ ], adopted by the Governing Body of the District on January 27, 2016 (the "Award Resolution"), the District has authorized the issuance, sale and delivery of, *inter alia*, its not to exceed \$[NTE Amount] Wiregrass Community Development District Capital Improvement Revenue Bonds, Series 2016 (the "Series 2016 Bonds"), which are issued hereunder as an issue of Bonds under the Master Indenture, and has authorized the execution and delivery of the Master Indenture and this Second Supplemental Indenture to secure the issuance of the Series 2016 Bonds and to set forth the terms of the Series 2016 Bonds; and

**WHEREAS**, the District will apply the proceeds of the Series 2016 Bonds, to: (i) finance the Cost of acquiring, constructing and equipping assessable improvements comprising the Series 2016 Project (hereinafter defined); (ii) pay certain costs associated with the issuance of the Series 2016 Bonds; (iii) make a deposit into the Series 2016 Reserve Account for the benefit of all of the Series 2016 Bonds; and (iv) pay a portion of interest to become due on the Series 2016 Bonds; and

**WHEREAS**, the Series 2016 Bonds will be payable from and secured by Assessments imposed, levied and collected by the District with respect to property specially benefited by the Series 2016 Project (the "Series 2016 Assessments"), which, together with the Series 2016 Pledged Funds, will comprise the Series 2016 Trust Estate, which shall constitute a "Series Trust Estate" as defined in the Master Indenture; and

**WHEREAS**, the execution and delivery of the Series 2016 Bonds and of this Second Supplemental Indenture have been duly authorized by the Governing Body of the District and all things necessary to make the Series 2016 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 Series 2016 Trust Estate 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 2016 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 2016 Bonds Outstanding (as defined in the Master Indenture) from time to time, according to their tenor and effect, and such other payments required to be made under the Master Indenture or hereunder, and such other payments due under any Letter of Credit Agreement or Liquidity Agreement (as defined in the Master Indenture), and to further secure the observance and performance by the District of all the covenants, expressed or implied in the Master Indenture, in this Second Supplemental Indenture and in the Series 2016 Bonds: (a) has executed and delivered this Second Supplemental Indenture and (b) does hereby, in confirmation of the Master Indenture, grant, bargain, sell, convey, transfer, assign and pledge unto the Trustee, and unto its successors in the trusts under the Master Indenture, and to them and their successors and assigns forever, all right, title and interest of the District, in, to and under, subject to the terms and conditions of the Master Indenture and the provisions of the Master Indenture pertaining to the application thereof for or to the purposes and on the terms set forth in the Master Indenture, the revenues derived by the District from the Series 2016 Assessments (the "Series 2016 Pledged Revenues") and the Funds and Accounts (except for the Series 2016 Rebate Account) established hereby (the "Series 2016 Pledged Funds") which shall comprise a part of the Trust Estate securing the Series 2016 Bonds (the "Series 2016 Trust Estate");

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

**IN TRUST NEVERTHELESS**, except as in each such case may otherwise be provided in the Master Indenture, upon the terms and trusts in the Indenture set forth for the equal and proportionate benefit, security and protection of all and singular the present and future Owners of the Series 2016 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 one Series 2016 Bond over any other Series 2016 Bond by reason of priority in their issue, sale or execution;

**PROVIDED FURTHER HOWEVER**, that if the District, its successors or assigns, shall well and truly pay, or cause to be paid, or make due provision for the payment of the principal and Redemption Price of the Series 2016 Bonds or any Series 2016 Bond of a particular maturity issued, 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 2016 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 provisions 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 2016 Bonds or any Series 2016 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 2016 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 2016 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:

**"Assessment Methodology"** shall mean the Assessment Area 2 Master Special Assessment Allocation Report, dated [Methodology Report Date], and the Assessment Area 2 Supplemental Special Assessment Allocation Report, dated [Supplemental Methodology Report Date], each prepared by Rizzetta & Company, Inc.

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

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

**"Capital Improvement Program"** shall mean the program of assessable capital improvements established by the District in the Series 2016 Assessment Proceedings, a portion of which is comprised of the Series 2016 Project.

**"Collateral Assignment"** shall mean, the Collateral Assignment and Assumption of Development Rights Relating to the Series 2016 Project between the District and [Developer], dated [Collateral Assignment Date].

**"DTC"** shall mean The Depository Trust Company, New York, New York.

**"Government Obligations"** shall mean direct obligations of, or obligations the timely payment of principal of and interest on which are unconditionally guaranteed by, the United States of America.

**"Interest Payment Date"** shall mean each May 1 and November 1, commencing [May 1, 2016].

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

**"Redemption Date"** shall mean each Interest Payment Date.

**"Replatted"** means, with respect to any platted parcel subject to the Series 2016 Assessments on the date of issuance of the Series 2016 Bonds, as replatted following the date of issuance of the Series 2016 Bonds.

**"Series 2016 Assessment"** shall mean the principal and interest of Series 2016 Assessments received by the District which corresponds to a proportionate amount of the principal and interest of the Series 2016 Bonds.

**"Series 2016 Assessment Interest"** shall mean the interest on the Series 2016 Assessments which is pledged to the Series 2016 Bonds.

**"Series 2016 Assessment Principal"** shall mean the principal amount of Series 2016 Assessments received by the District which represent a proportionate amount of the principal of and Amortization Installments of the Series 2016 Bonds, other than applicable Delinquent Assessment Principal and Series 2016 Prepayment Principal.

**"Series 2016 Assessment Proceedings"** shall mean the proceedings of the District with respect to the establishment, levy and collection of the Series 2016 Assessments which include Resolution Nos. [ ] and [ ], as supplemented, adopted by the Governing Body of the District, and any supplemental proceedings undertaken by the District with respect to the Series 2016 Assessments and the Assessment Methodology as approved thereby.

**"Series 2016 Assessment Revenues"** shall mean all revenues derived by the District from the Series 2016 Assessments, including proceeds from any foreclosure of the lien of Delinquent Series 2016 Assessments and any statutory interest on the Delinquent Series 2016 Assessments collected by the District in excess of the rate of interest on the Series 2016 Bonds.

**"Series 2016 Bonds"** shall mean \$[Bond Amount] Wiregrass Community Development District Capital Improvement Revenue Bonds, Series 2016.

**"Series 2016 Investment Obligations"** shall mean and includes any of the following securities, if and to the extent that such securities are legal investments for funds of the District;

(i) Government Obligations;

(ii) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies or such other government-sponsored agencies which may presently exist or be hereafter created; provided that, such bonds, debentures, notes or other evidences of indebtedness are fully guaranteed as to both principal and interest by the United States of America;

Bank for Cooperatives; Federal Intermediate Credit Banks; Federal Financing Bank; Federal Home Loan Bank System; Export-Import Bank of the United States; Farmers Home Administration; Small Business Administration; Inter-American Development Bank; International Bank for Reconstruction and Development; Federal Land Banks; the Federal National Mortgage Association; the Government National Mortgage Association; the Tennessee Valley Authority; or the Washington Metropolitan Area Transit Authority;

(iii) shares of money market mutual funds that invest only in the obligations described in (i) and (ii) above, including money market mutual funds of the Trustee bank meeting such criteria;

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

Under all circumstances, the Trustee shall be entitled to rely that any investment directed by an Authorized Officer of the District is permitted under the Indenture.

**"Series 2016 Pledged Funds"** shall mean all of the Funds and Accounts created hereby with the Trustee, including the Subaccounts therein other than the Series 2016 Rebate Account in the Rebate Fund.

**"Series 2016 Pledged Revenues"** shall mean the Series 2016 Assessments.

***"Series 2016 Prepayment Principal"*** shall mean the excess amount of Series 2016 Assessment Principal received by the District over the Series 2016 Assessment Principal included within an Assessment appearing on any outstanding and unpaid tax bill, whether or not mandated to be prepaid in accordance with the Assessment Proceedings. Anything herein or in the Master Indenture to the contrary notwithstanding, the term Series 2016 Prepayment Principal shall not mean the proceeds of any Refunding Bonds or other borrowing of the District.

***"Series 2016 Project"*** shall mean the public infrastructure capital costs and ancillary costs set forth in the report of the Consulting Engineer attached hereto in Exhibit A, as amended and supplemented from time to time with respect to the Series 2016 Project.

***"Series 2016 Reserve Account Requirement"*** shall be equal to the Maximum Annual Debt Service Requirement for all Outstanding Series 2016 Bonds, as of the time of any such calculation, which as of the date of the issuance of the Series 2016 Bonds is \$\_\_\_\_\_.

## **ARTICLE II AUTHORIZATION, ISSUANCE AND PROVISIONS OF SERIES 2016 BONDS**

**Section 201. Authorization of Series 2016 Bonds; Book-Entry Only Form.** The Series 2016 Bonds are hereby authorized to be issued in one Series in the aggregate principal amount of \$[Bond Amount] for the purposes enumerated in the recitals hereto to be designated "Wiregrass Community Development District Capital Improvement Revenue Bonds, Series 2016." The Series 2016 Bonds shall be substantially in the form set forth as Exhibit B to this Second Supplemental Indenture. Each Series 2016 Bond shall bear the designation "2016-R" and shall be numbered consecutively from 1 upwards.

The Series 2016 Bonds shall be initially issued in the form of a separate single certificated fully registered Series 2016 Bond for each Series and maturity thereof. Upon initial issuance, the ownership of each such Series 2016 Bond shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, the initial Bond Depository. Except as provided in this Section 201, all of the Outstanding

Series 2016 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 2016 Bonds registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, the District, the Trustee, the Bond Registrar and the Paying Agent shall have no responsibility or obligation to any such Bond Participant or to any indirect Bond Participant. Without limiting the immediately preceding sentence, the District, the Trustee, the Bond Registrar and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Bond Participant with respect to any ownership interest in the Series 2016 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 2016 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 2016 Bonds. The District, the Trustee, the Bond Registrar and the Paying Agent shall treat and consider the person in whose name each Series 2016 Bond is registered in the registration books kept by the Bond Registrar as the absolute owner of such Series 2016 Bond for the purpose of payment of principal, premium and interest with respect to such Series 2016 Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2016 Bond, for the purpose of registering transfers with respect to such Series 2016 Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium, if any, and interest on the Series 2016 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 2016 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 2016 Bond evidencing the obligation of the District to make payments of principal, premium, if any, and interest pursuant to the provisions hereof. Upon delivery by DTC to the District of written notice to the effect that DTC has determined to substitute a new Nominee in place of Cede & Co., and subject to the provisions herein with respect to Record Dates, the words "Cede & Co." in this 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 2016 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 2016 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 2016 Bonds shall no longer be restricted to being registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, but may be registered in whatever name or names Owners transferring or exchanging the Series 2016 Bonds shall designate, in accordance with the provisions hereof.

**Section 202. Terms.** The Series 2016 Bonds shall be issued as [ ] Term Bond[s], shall be dated as of the date of their issuance and delivery to the initial purchasers thereof, shall bear interest at the fixed interest rates per annum and shall mature in the amounts and on the dates set forth below:

<u>Principal Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>CUSIP</u>
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**Section 203. Dating and Interest Accrual.** Each Series 2016 Bond shall be dated [ ], 2016. Each Series 2016 Bond also shall bear its date of authentication. Each Series 2016 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 2016 Bond has been paid, in which event such Series 2016 Bond shall bear interest from its date of authentication; or (ii) is prior to the first Interest Payment Date for the Series 2016 Bonds, in which event, such Series 2016 Bond shall bear interest from its date. Interest on the Series 2016 Bonds shall be due and payable on each May 1 and November 1, commencing [May 1, 2016], and shall be computed on the basis of a 360-day year of twelve 30-day months.

**Section 204. Denominations.** The Series 2016 Bonds shall be issued in Authorized Denominations; provided, however, that the Series 2016 Bonds shall be delivered to the initial purchasers thereof only in aggregate principal amounts of \$100,000 or integral multiples of Authorized Denominations in excess of \$100,000.

**Section 205. Paying Agent.** The District appoints the Trustee as Paying Agent for the Series 2016 Bonds.

**Section 206. Bond Registrar.** The District appoints the Trustee as Bond Registrar for the Series 2016 Bonds.

**Section 207. Conditions Precedent to Issuance of Series 2016 Bonds.** In addition to complying with the requirements set forth in the Master Indenture in connection with the issuance of the Series 2016 Bonds, all the Series 2016 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 Series 2016 Assessment Proceedings;
- (b) Executed copies of the Master Indenture and this Second Supplemental Indenture;
- (c) A customary Bond Counsel opinion;
- (d) The District Counsel opinion required by the Master Indenture;
- (e) A certificate of an Authorized Officer to the effect that, upon the authentication and delivery of the Series 2016 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 which set forth the estimated Cost of the Series 2016 Project; and
- (g) A certified copy of the final judgment of validation in respect of the Bonds together with a certificate of no appeal.

Payment to the Trustee of \$[ ] shall conclusively evidence satisfaction of the foregoing conditions precedent.

**ARTICLE III  
REDEMPTION OF SERIES 2016 BONDS**

**Section 301. Bonds Subject to Redemption.** The Series 2016 Bonds are subject to redemption prior to maturity as provided in the form thereof set forth as Exhibit B to this Second Supplemental Indenture. Interest on Series 2016 Bonds which are called for redemption shall be paid on the Redemption Date from the Series 2016 Interest Account or from the Series 2016 Revenue Account to the extent monies in the Series 2016 Interest Account are insufficient for such purpose.

**ARTICLE IV  
DEPOSIT OF SERIES 2016 BOND PROCEEDS AND  
APPLICATION THEREOF; ESTABLISHMENT OF  
ACCOUNTS AND OPERATION THEREOF**

**Section 401. Establishment of Accounts** There are hereby established, the following Funds and Accounts.

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

- (i) a Series 2016 Acquisition and Construction Account; and
- (ii) a Series 2016 Costs of Issuance Account.

(b) There are hereby established within the Debt Service Fund held by the Trustee: (i) a Series 2016 Debt Service Account and therein a Series 2016 Sinking Fund Account, a Series 2016 Interest Account and a Series 2016 Capitalized Interest Account; and (ii) a Series 2016 Redemption Account, and therein a Series 2016 Prepayment Subaccount and an Optional Redemption Subaccount;

(c) There is hereby established within the Reserve Fund held by the Trustee a Series 2016 Reserve Account which shall be held for the benefit of all of the Series 2016 Bonds, without distinction as to Series 2016 Bonds and without privilege or priority of one Series 2016 Bond over another;

(d) There is hereby established within the Revenue Fund held by the Trustee a Series 2016 Revenue Account; and

(e) There is hereby established within the Rebate Fund held by the Trustee a Series 2016 Rebate Account.

Moneys in the Optional Redemption Subaccount in the Series 2016 Redemption Account shall be applied in accordance with Section 506 of the Master Indenture to the optional redemption of Series 2016 Bonds.

**Section 402. Use of Series 2016 Bond Proceeds.** The net proceeds of sale of the Series 2016 Bonds, \$[Net Proceeds], shall as soon as practicable upon the delivery thereof to the Trustee by the District pursuant to Section 207 of the Master Indenture, be applied as follows:

(a) \$[Reserve Account Requirement], representing the Series 2016 Reserve Account Requirement shall be deposited to the credit of the Series 2016 Reserve Account;

(b) \$[COI], representing the costs of issuance relating to the Series 2016 Bonds shall be deposited to the credit of the Series 2016 Costs of Issuance Account;

(c) \$[CapI], representing Capitalized Interest on the Series 2016 Bonds through and including November 1, 2017, shall be deposited to the credit of the Series 2016 Capitalized Interest Account; and

(d) \$[Construction Deposit] shall be deposited to the credit of the Series 2016 Acquisition and Construction Account.

**Section 403. Series 2016 Acquisition and Construction Account; Series 2016 Capitalized Interest Account.**

(a) Amounts on deposit in the Series 2016 Acquisition and Construction Account shall be applied to pay the Costs of the Series 2016 Project upon compliance with the requisition provisions set forth in Section 503(b) of the Master Indenture. After the Date of Completion of the Series 2016 Project, any balance remaining in the Acquisition and Construction Account (taking into account the moneys currently on deposit therein to pay any accrued but unpaid Costs of the Series 2016 Project which are required to be reserved in the Series 2016 Acquisition and Construction Account in accordance with the certificate of the Consulting Engineer establishing such Date of Completion), shall be applied in accordance with Section 301 hereof to the extraordinary mandatory redemption of the Series 2016 Bonds in the manner prescribed in the form of Series 2016 Bond set forth as Exhibit B hereto.

(b) Amounts on deposit in the Series 2016 Capitalized Interest Account shall, until and including November 1, 2017, be transferred into the Series 2016 Interest Account and applied to the payment of interest first coming due on the Series 2016 Bonds, and thereafter transferred into the Series 2016 Acquisition and Construction Account.

**Section 404. Costs of Issuance Account.** The amount deposited in the Series 2016 Costs of Issuance Account shall, at the written direction of an Authorized Officer to the Trustee, be used to pay the costs of issuance relating to the Series 2016 Bonds. On the earlier to occur of: (x) the written direction of an Authorized Officer or (y) six months from the date of issuance of the Series 2016 Bonds, any amounts deposited in the Series 2016 Costs of Issuance Account which have not been requisitioned shall be transferred over and deposited into the Series 2016 Acquisition and Construction Account in the Acquisition and Construction Fund and used for the purposes permitted therefor.

**Section 405. Series 2016 Reserve Account.** The Series 2016 Reserve Account shall be funded and maintained at all times in an amount equal to the Series 2016 Reserve Account Requirement. Except as otherwise provided herein or in the Master Indenture, amounts on deposit in the Series 2016 Reserve Account shall be used only for the purpose of making payments into the Series 2016 Interest Account and the Series 2016 Sinking Fund Account to pay Debt Service on the Series 2016 Bonds, when due, without distinction as to Series 2016 Bonds and without privilege or priority of one Series 2016 Bond over another, to the extent the moneys on deposit in such Accounts and available therefor are insufficient and for no other purpose. Such Account shall consist only of cash and Series 2016 Investment Obligations.

Anything herein or in the Master Indenture to the contrary notwithstanding, on the forty-fifth (45<sup>th</sup>) day preceding each Redemption Date (or, if such forty-fifth (45<sup>th</sup>) day is not a Business Day, on the first Business day preceding such forty-fifth (45<sup>th</sup>) day), the Trustee is hereby authorized and directed to recalculate the Series 2016 Reserve Account Requirement and to transfer any excess on deposit in the Series 2016 Reserve Account (other than excess resulting from earnings on investments, which shall be governed by Section 408(f) hereof) into the Series 2016 Prepayment Subaccount of the Series 2016 Redemption Account and applied to the extraordinary mandatory redemption of the Series 2016 Bonds.

On the earliest date on which there is on deposit in the Series 2016 Reserve Account, sufficient monies, after taking into account other monies available therefor, to pay and redeem all of the Outstanding Series 2016 Bonds, together with accrued interest on such Series 2016 Bonds to the earliest date of redemption permitted therein and herein, then the Trustee shall transfer the amount on deposit in the Series 2016 Reserve Account into the Series 2016 Prepayment Subaccount in the Series 2016 Redemption Account to pay and redeem all of the Outstanding Series 2016 Bonds on the earliest date permitted for redemption therein and herein.

Anything in the Master Indenture or herein to the contrary notwithstanding, amounts on deposit in the Series 2016 Reserve Account shall, upon the occurrence and continuance of an Event of Default, be subject to a first charge by the Trustee for its fees and expenses, including fees and expenses of collection of Delinquent Assessments.

**Section 406. Amortization Installments.**

(a) The Amortization Installments established for the Series 2016 Bonds shall be as set forth in the form of the Series 2016 Bonds attached hereto.

(b) Upon any redemption of Series 2016 Bonds (other than Series 2016 Bonds redeemed in accordance with scheduled Amortization Installments and other than Series 2016 Bonds redeemed at the direction of the District accompanied by a cash flow certificate as required by Section 506(b) of the Master Indenture), the Trustee shall cause Series 2016 Bonds to be redeemed in such amounts and having such maturities so as to result in Amortization Installments recalculated by the District, in such manner as shall amortize all the Outstanding Series 2016 Bonds of all of the terms in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining terms of all of the Series 2016 Bonds.

**Section 407. Tax Covenants and Rebate Accounts.** The District shall comply with the Tax Regulatory Covenants set forth as Exhibit C to this Second Supplemental Indenture, as amended and supplemented from time to time in accordance with their terms.

**Section 408. Establishment of Series 2016 Revenue Account in Revenue Fund; Application of Revenues and Investment Earnings.**

(a) The Trustee is hereby authorized and directed to establish within the Revenue Fund a Series 2016 Revenue Account into which the Trustee shall deposit any and all amounts required to be deposited therein by this Section 408 or by any other provision of the Master Indenture or this Second Supplemental Indenture, and any other amounts or payments specifically designated by the District pursuant to a written direction or by a Supplemental Indenture for said purpose. The Series 2016 Revenue Account shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Indenture and from all other moneys of the Trustee.

(b) The Trustee shall deposit into the Series 2016 Revenue Account the Series 2016 Assessment Revenues (other than the Series 2016 Prepayment Principal, which shall be identified by the District to the Trustee as such in writing upon deposit and which shall be deposited into the Series 2016 Prepayment Subaccount in the Series 2016 Redemption Account) and any other revenues required by other provisions of the Indenture to be deposited therein.

(c) On the forty-fifth (45<sup>th</sup>) day preceding each Redemption Date with respect to the Series 2016 Bonds (or if such forty-fifth (45<sup>th</sup>) day is not a Business Day, on the Business Day next preceding such forty-fifth (45<sup>th</sup>) day), the Trustee shall determine the amount on deposit in the Series 2016 Prepayment Subaccount of the Series 2016 Redemption Account, and, if the balance therein is greater than zero, shall transfer from the Series 2016 Revenue Account for deposit into the Series 2016 Prepayment Subaccount, an amount sufficient to increase the amount on deposit therein to an integral multiple of \$5,000, and, shall thereupon give notice and cause the extraordinary mandatory redemption of the Series 2016 Bonds on the next succeeding Redemption Date in the maximum aggregate principal amount for which moneys are then on deposit in the Series 2016 Prepayment Subaccount in accordance with the provisions for extraordinary redemption of the Series 2016 Bonds set forth in the form of Series 2016 Bond attached hereto, Section 301 hereof, and Article III of the Master Indenture.

(d) On May 1 and November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such May 1 or November 1), the Trustee shall transfer amounts on deposit in the Series 2016 Revenue Account to the Funds and Accounts designated below in the following amounts and in the following order of priority:

**FIRST**, from the Series 2016 Revenue Account to the Series 2016 Interest Account of the Series 2016 Debt Service Account, an amount equal to

the amount of interest payable on all Series 2016 Bonds then Outstanding on such May 1 or November 1, less any amount transferred from the Series 2016 Capitalized Interest Account as set forth in this Section 408(d) below and less any other amount already on deposit in the Series 2016 Interest Account not previously credited;

**SECOND**, on each May 1, to the Series 2016 Sinking Fund Account, the amount, if any, equal to the difference between the Amortization Installments of all Series 2016 Bonds subject to mandatory sinking fund redemption on such May 1, and the amount already on deposit in the Series 2016 Sinking Fund Account not previously credited;

**THIRD**, to the Series 2016 Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2016 Reserve Account Requirement with respect to the Series 2016 Bonds; and

**FOURTH**, the balance shall be retained in the Series 2016 Revenue Account.

Notwithstanding the foregoing, so long as there are moneys on deposit in the Series 2016 Capitalized Interest Account on the date required for any transfer into the Series 2016 Interest Account as set forth above, the Trustee shall, prior to making any transfer into the Series 2016 Interest Account from the Series 2016 Revenue Account, transfer to the Series 2016 Interest Account from the Series 2016 Capitalized Interest Account, the lesser of the interest coming due on the next succeeding Interest Payment Date or the amount remaining on deposit in the Series 2016 Capitalized Interest Account.

(e) On any date required by the Tax Regulatory Covenants, the District shall give the Trustee written direction, and the Trustee shall, transfer from the Series 2016 Revenue Account to the Series 2016 Rebate Account established for the Series 2016 Bonds in the Rebate Fund in accordance with the Master Indenture, the amount due and owing to the United States, which amount shall be paid, to the United States, when due, in accordance with such Tax Regulatory Covenants.

(f) Anything herein or in the Master Indenture to the contrary notwithstanding, moneys on deposit in all of the Funds and Accounts held as security for the Series 2016 Bonds shall be invested only in Series 2016 Investment Obligations, and further, earnings on the Series 2016 Acquisition and Construction Account, the Series 2016 Interest Account and the Series

2016 Capitalized Interest Account shall be retained, as realized, in such Accounts or subaccounts and used for the purpose of such Account or subaccount. Earnings on investments in the other Funds and Accounts other than the Series 2016 Reserve Account shall be deposited, as realized, to the credit of the Series 2016 Revenue Account and used for the purpose of such Account.

Earnings on investments in the Series 2016 Reserve Account shall be disposed of as follows:

(i) if there was no deficiency (as defined in Section 509 of the Master Indenture) in the Series 2016 Reserve Account as of the most recent date on which amounts on deposit in the Series 2016 Reserve Account were valued by the Trustee, and if no withdrawals have been made from the Series 2016 Reserve Account since such date which have created a deficiency, then earnings on the Series 2016 Reserve Account shall be deposited into the Series 2016 Capitalized Interest Account through November 1, 2017, and, thereafter earnings in the Series 2016 Reserve Account shall be deposited into the Series 2016 Revenue Account and used for the purpose of such Account; and

(ii) if as of the last date on which amounts on deposit in the Series 2016 Reserve Account were valued by the Trustee there was a deficiency (as defined in Section 509 of the Master Indenture), or if after such date withdrawals have been made from the Series 2016 Reserve Account and have created such a deficiency, then earnings on investments in the Series 2016 Reserve Account shall be deposited into the Series 2016 Reserve Account until the amount on deposit therein is equal to the Series 2016 Reserve Account Requirement, and then earnings on the Series 2016 Reserve Account shall be deposited into the Series 2016 Capitalized Interest Account through November 1, 2017, and, thereafter earnings on the Series 2016 Reserve Account shall be deposited into the Series 2016 Revenue Account and used for the purpose of such Account.

## **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.

**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 VI thereof.

**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 transactions at no additional cost, as they occur, the District specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the District periodic cash transaction statements that include detail for all investment transactions made by the Trustee hereunder.

## **ARTICLE VI ADDITIONAL BONDS**

**Section 601. Limitation on Parity Bonds.** Other than Refunding Bonds issued to refund the then Outstanding Series 2016 Bonds, the issuance of which results in net present value debt service savings, the District shall not, while any Series 2016 Bonds are Outstanding, issue or incur any debt payable in whole or in part from the Series 2016 Trust Estate. The District further covenants and agrees that so long as the Series 2016 Bonds are Outstanding, it will not impose Assessments for capital projects on any lands subject to the Series 2016 Assessments, without the written consent of the Majority Owners.

## **ARTICLE VII MISCELLANEOUS**

**Section 701. Confirmation of Master Indenture.** As supplemented by this Second Supplemental Indenture, the Master Indenture is in all respects 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 2016 Bonds issued hereunder.

**Section 702. Continuing Disclosure Agreement.**

Contemporaneously with the execution and delivery hereof, the District has executed and delivered a Continuing Disclosure Agreement in order to comply with the requirements of Rule 15c2-12 promulgated under the Securities and Exchange Act of 1934. The District covenants and agrees to comply with the provisions of such Continuing Disclosure Agreement; however, as set forth therein, failure to so comply shall not constitute an Event of Default hereunder, but, instead shall be enforceable by mandamus, injunction or any other means of specific performance.

**Section 703. Additional Covenant Regarding Assessments.** In addition, and not in limitation of, the covenants contained elsewhere in this 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 Series 2016 Assessments, including the Assessment Methodology, and to levy the Series 2016 Assessments and any required true-up payments set forth in the Assessment Methodology, in such manner as will generate funds sufficient to pay the principal of and interest on the Series 2016 Bonds, when due. The Assessment Methodology shall not be amended without written consent of the Majority Owners.

**Section 704. Collection of Assessments.**

(a) Anything herein or in the Master Indenture to the contrary notwithstanding, Series 2016 Assessments levied on Replatted tax parcels subject to the Series 2016 Assessments pledged hereunder and levied on parcels that have been Replatted or that have not been sold to builders, whether or not Replatted, shall be collected pursuant to the Uniform Method, and Series 2016 Assessments pledged hereunder and levied on parcels that have not been Replatted and sold to builders shall be collected directly by the District pursuant to the Act and Chapters 170 and 197, Florida Statutes, and not pursuant to the Uniform Method, in each case, unless otherwise directed by the Trustee acting at the direction of the Majority Owners upon the occurrence and continuance of an Event of Default.

(b) All Series 2016 Assessments that are collected directly by the Issuer and not via the Uniform Method shall be due and payable by the landowner no later than thirty (30) days prior to each Interest Payment Date.

**Section 705. Foreclosure of Assessment Lien.** Notwithstanding Section 804 of the Master Indenture or any other provision of this Second Supplemental Indenture to the contrary, the following provisions shall apply with respect to the Series 2016 Assessments and Series 2016 Bonds.

If any property shall be offered for sale for the nonpayment of any Series 2016 Assessment and no person or persons shall purchase such property for an amount equal to the full amount due on the Series 2016 Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), the property may then be purchased by the District for an amount less than or equal to the balance due on the Series 2016 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 2016 Bonds; provided that the Trustee shall have the right, acting at the direction of the Majority Owners of the Series 2016 Bonds, but shall not be obligated, to direct the District with respect to any action taken pursuant to this Section. The District, either through its own actions, or actions caused to be taken through the Trustee, shall have the power to lease or sell such property, and deposit all of the net proceeds of any such lease or sale into the Series 2016 Revenue Account. The District, either through its own actions, or actions caused to be taken 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 benefit of the Owners of the Series 2016 Bonds within sixty (60) days after the receipt of the request therefore signed by the Trustee or the Majority Owners of the Series 2016 Bonds. The Trustee may, upon direction from the Majority Owners of the Series 2016 Bonds, pay costs associated with any actions taken by District pursuant to this paragraph from any moneys legally available for such purpose held under the Indenture.

**Section 706. Requisite Owners for Direction or Consent.** Anything in the Master Indenture to the contrary notwithstanding, any direction or consent or similar provision which requires fifty-one percent of the Owners of the Series 2016 Bonds, shall in each case be deemed to refer to, and shall mean, the Majority Owners of the Series 2016 Bonds. If any provision hereof or of the Master Indenture provides that the Majority Owners may direct the Trustee to take any action, the Trustee shall also be entitled to take such action without such direction unless directed not to take such action by the Majority Owners.

**Section 707. Owner Direction and Consent with Respect to Series 2016 Acquisition and Construction Account Upon Occurrence of Event of Default.** In accordance with the provisions of the Indenture, upon the occurrence of an Event of Default with respect to the Series 2016 Bonds, the Series 2016 Bonds are payable solely from the Series 2016 Pledged Revenues and any other moneys held by the Trustee under the Indenture for such purpose. Anything in the Indenture to the contrary notwithstanding, the District hereby acknowledges that (i) the Series 2016 Pledged Funds includes, without limitation, all amounts on deposit in the Series 2016 Acquisition and Construction Account of the Acquisition and Construction Fund then held by the Trustee, (ii) upon the occurrence of an Event of Default with respect to the Series 2016 Bonds, the Series 2016 Pledged Funds may not be used by the District (whether to pay costs of the Series 2016 Project or otherwise) without the consent of the Majority Owners of the Series 2016 Bonds, except to the extent that prior to the occurrence of the Event of Default the District had incurred a binding obligation with third parties for work on the Series 2016 Project and payment is for such work, and (iii) the Series 2016 Pledged Funds may be used by the Trustee, at the direction or with the approval of the Majority Owners of the Series 2016 Bonds, to pay costs and expenses incurred in connection with the pursuit of remedies under the Indenture. The District shall not enter into any binding agreement with respect to the Series 2016 Project after the occurrence of an Event of Default unless authorized in writing by the Majority Owners.

**Section 708. Assignment of District's Rights Under 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 2016 Bonds and any other Bonds issued under the Master Indenture. The Trustee shall not be deemed to have accepted any obligation under the Collateral Assignment by virtue of such assignment.

[ Signature Page Follows ]

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

**SEAL**

**WIREGRASS COMMUNITY  
DEVELOPMENT DISTRICT**

Attest:

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

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

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

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

**EXHIBIT A**

**DESCRIPTION OF SERIES 2016 PROJECT**

[See Report of District Engineer Attached Hereto]

**EXHIBIT B**

**FORM OF SERIES 2016 BONDS**

**[TEXT OF SERIES 2016 BOND FACE]**

**No. 2016R-**

**[\$ [ ]**

**United States of America  
State of Florida**

**WIREFRASS COMMUNITY DEVELOPMENT DISTRICT  
CAPITAL IMPROVEMENT REVENUE BOND, SERIES 2016**

<b>Interest Rate</b>	<b>Maturity Date</b>	<b>Dated Date</b>	<b>CUSIP</b>
<b>%</b>	<b>May 1, 20[ ]</b>	<b>[ ], 2016</b>	

**Registered Owner: CEDE & CO.**

**Principal Amount:** \_\_\_\_\_ Dollars

**WIREFRASS COMMUNITY DEVELOPMENT DISTRICT**, a community development district duly established and existing pursuant to Chapter 190, Florida Statutes (the "District"), for value received, hereby promises to pay (but only out of the sources hereinafter mentioned) to the registered Owner set forth above, or registered assigns, on the maturity date shown hereon, unless this Bond shall have been called for redemption in whole or in part and payment of the Redemption Price (as defined in the Indenture hereinafter mentioned) 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, 2016], until payment of said principal sum has been made or provided for, at the rate per annum set forth above. Notwithstanding the foregoing, if any Interest Payment Date is not a Business Day (as defined in the Indenture hereinafter mentioned), then all amounts due on such Interest Payment Date shall be payable on the first Business Day succeeding such Interest Payment Date, but shall be deemed paid on such Interest Payment Date. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in

the Indenture (as hereinafter defined), be paid to the registered Owner hereof at the close of business on the regular record date for such interest, which shall be the fifteenth (15th) day of the calendar month next preceding such Interest Payment Date, or, if such day is not a Business Day on the Business Day immediately preceding such day; provided, however, that on or after the occurrence and continuance of an Event of Default under clause (a) of Section 902 of the Master Indenture (hereinafter defined), the payment of interest and principal or Redemption Price or Amortization Installments shall be made by the Paying Agent (hereinafter defined) to such person, who, on a special record date which is fixed by the Trustee, which shall be not more than fifteen (15) and not less than ten (10) days prior to the date of such proposed payment, appears on the registration books of the Bond Registrar as the registered Owner of this Bond. Any payment of principal, Maturity Amount or Redemption Price shall be made only upon presentation hereof at the designated corporate trust office of U.S. Bank National Association, located in Orlando, Florida, or any alternate or successor paying agent (collectively, the "Paying Agent"), unless the Bonds are held in the book entry system in which case presentation shall not be required. Payment of interest shall be made by check or draft (or by wire transfer to the registered Owner set forth above if such Owner requests such method of payment in writing on or prior to the regular record date for the respective interest payment to such account as shall be specified in such request, but only if the registered Owner set forth above owns not less than \$1,000,000 in aggregate principal amount of the Series 2016 Bonds, as defined below). Interest on this Bond will be computed on the basis of a 360-day year of twelve 30-day months.

This Bond is one of a duly authorized issue of bonds of the District designated "Capital Improvement Revenue Bonds, Series 2016" in the aggregate principal amount of \$[Bond Amount] (the "Series 2016 Bonds") issued under a Master Trust Indenture, dated as of September 1, 2014 (the "Master Indenture"), between the District and U.S. Bank National Association, located in Orlando, Florida, as trustee (the "Trustee"), as amended and supplemented by a Second Supplemental Trust Indenture, dated as of February 1, 2016 (the "Supplemental Indenture"), between the District and the Trustee (the Master Indenture as amended and supplemented by the Supplemental Indenture is hereinafter referred to as the "Indenture") (the Series 2016 Bonds, together with any other Bonds issued under and governed by the terms of the Master Indenture, are hereinafter collectively referred to as the "Bonds"). The Series 2016 Bonds are issued to: (i) finance the Cost of acquiring, constructing and equipping assessable improvements comprising the Series 2016 Project; (ii) pay certain

costs associated with the issuance of the Series 2016 Bonds; (iii) make a deposit into the Series 2016 Reserve Account for the benefit of all of the Series 2016 Bonds; and (iv) pay a portion of interest to become due on the Series 2016 Bonds.

NEITHER THIS BOND NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF FLORIDA. THIS BOND AND THE SERIES OF WHICH IT IS A PART AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON AND THEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN UPON ANY PROPERTY OF THE DISTRICT OTHER THAN AS PROVIDED IN THE MASTER INDENTURE OR IN THE SUPPLEMENTAL INDENTURE AUTHORIZING THE ISSUANCE OF THE SERIES 2016 BONDS. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE MASTER INDENTURE, THE SUPPLEMENTAL INDENTURE, OR THE SERIES 2016 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE MASTER INDENTURE, THE SUPPLEMENTAL INDENTURE, OR THE SERIES 2016 BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE SERIES 2016 PLEDGED REVENUES AND THE SERIES 2016 PLEDGED FUNDS PLEDGED TO THE SERIES 2016 BONDS, ALL AS PROVIDED HEREIN, IN THE MASTER INDENTURE AND IN THE SUPPLEMENTAL INDENTURE.

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

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

**WIREGRASS COMMUNITY  
DEVELOPMENT DISTRICT**

Attest:

\_\_\_\_\_  
Secretary

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

[Official Seal]

**[FORM OF CERTIFICATE OF AUTHENTICATION FOR SERIES  
2016 BONDS]**

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

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

Date of Authentication:

\_\_\_\_\_

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

## **[TEXT OF SERIES 2016 BOND]**

This Bond is issued under and pursuant to the Constitution and laws of the State of Florida, particularly Chapter 190, Florida Statutes (2015), and other applicable provisions of law and pursuant to the Indenture, executed counterparts of which Indenture are on file at the corporate trust office of the Trustee. Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of Bonds issued under the Indenture, the collection and disposition of revenues and the funds charged with and pledged to the payment of the principal, Maturity Amount and Redemption Price of, and the interest on, the Bonds, the nature and extent of the security thereby created, the covenants of the District with respect to the levy and collection of Assessments (as defined in the Indenture), the terms and conditions under which the Bonds are or may be issued, the rights, duties, obligations and immunities of the District and the Trustee under the Indenture and the rights of the Owners of the Bonds, and, by the acceptance of this Bond, the Owner hereof assents to all of the provisions of the Indenture. The Series 2016 Bonds are equally and ratably secured by the Series 2016 Trust Estate, without preference or priority of one Series 2016 Bond over another. The Supplemental Indenture does not authorize the issuance of any additional Bonds ranking on a parity with the Series 2016 Bonds as to the lien and pledge of the Series 2016 Trust Estate except, under certain circumstances, Refunding Bonds.

The Series 2016 Bonds are issuable only as registered bonds without coupons in current interest form in denominations of \$5,000 or any integral multiple thereof (an "Authorized Denomination"); provided, however, that the Series 2016 Bonds shall be delivered to the initial purchasers thereof only in aggregate principal amounts of \$100,000 or integral multiples of Authorized Denominations in excess of \$100,000. This Bond is transferable by the registered Owner hereof or his duly authorized attorney at the designated corporate trust office of the Trustee in Orlando, Florida, as Bond Registrar (the "Bond Registrar"), upon surrender of this Bond, accompanied by a duly executed instrument of transfer in form and with guaranty of signature reasonably satisfactory to the Bond Registrar, subject to such reasonable regulations as the District or the Bond Registrar may prescribe, and upon payment of any taxes or other governmental charges incident to such transfer. Upon any such transfer a new Bond or Bonds, in the same aggregate principal amount as the Bond or Bonds transferred, will be issued to the transferee. At the corporate trust office of the Bond Registrar in Orlando, Florida, in the manner and subject to the limitations and conditions

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

The Series 2016 Bonds are subject to redemption prior to maturity at the option of the District in whole, on any date, or in part on any Redemption Date, on or after May 1, 20[ ], at the Redemption Price of the principal amount of the Series 2016 Bonds or portions thereof to be redeemed together with accrued interest to the redemption date.

The Series 2016 Bonds maturing May 1, 20[ ] are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2016 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments (as defined in the Master Indenture) at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<b><u>May 1</u></b>	<b><u>Amortization</u></b>	<b><u>May 1</u></b>	<b><u>Amortization</u></b>
<b><u>of the Year</u></b>	<b><u>Installment</u></b>	<b><u>of the Year</u></b>	<b><u>Installment</u></b>

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\* Maturity

The Series 2016 Bonds maturing May 1, 20[ ] are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2016 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments (as defined in the Master Indenture) at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<u>May 1</u> <u>of the Year</u>	<u>Amortization</u> <u>Installment</u>	<u>May 1</u> <u>of the Year</u>	<u>Amortization</u> <u>Installment</u>
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\* Maturity

As more particularly set forth in the Master Indenture and Supplemental Indenture, any Series 2016 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 2016 Bonds. Amortization Installments are also subject to recalculation, as provided in the Supplemental Indenture, as the result of the redemption of Series 2016 Bonds so as to reamortize the remaining Outstanding principal balance of the Series 2016 Bonds as set forth in the Supplemental Indenture.

The Series 2016 Bonds are subject to extraordinary mandatory redemption prior to maturity, in whole on any date or in part on any Redemption Date, in the manner determined by the Bond Registrar at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption, if and to the extent that any one or more of the following shall have occurred:

(a) on or after the Date of Completion of the Series 2016 Project (as such term is defined in the Indenture), by application of moneys transferred from the Series 2016 Acquisition and Construction Account in the Acquisition and Construction Fund established under the Indenture to the Series 2016 Prepayment Subaccount of the Series 2016 Redemption Account in accordance with the terms of the Indenture; or

(b) from amounts, including Prepayments of Series 2016 Assessments (as defined in the Indenture), required by the Indenture to be deposited into the Series 2016 Prepayment Subaccount of the Series 2016 Redemption Account; or

(c) from amounts transferred to the Series 2016 Prepayment Subaccount of the Series 2016 Redemption Account resulting from a reduction in the Series 2016 Reserve Account Requirement as provided for in the Indenture, and, on the date on which the amount on deposit in the Series 2016 Reserve Account, together with other moneys available therefor, are

sufficient to pay and redeem all of the Series 2016 Bonds then Outstanding, including accrued interest thereon.

If less than all of the Series 2016 Bonds of a Series shall be called for redemption, the particular Series 2016 Bonds or portions of Series 2016 Bonds of a Series to be redeemed shall be selected by lot by the Registrar as provided in the Indenture.

Notice of each redemption of Series 2016 Bonds is required to be mailed by the Bond Registrar, postage prepaid, not less than thirty (30) nor more than forty-five (45) days prior to the redemption date to each registered Owner of Series 2016 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 2016 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 2016 Bonds or such portions thereof on such date, interest on such Series 2016 Bonds or such portions thereof so called for redemption shall cease to accrue, such Series 2016 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 2016 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.

Pursuant to the Indenture, notice of optional redemption may be conditioned upon the occurrence or non-occurrence of such event or events or upon the later deposit of moneys therefor as shall be specified in such notice of optional redemption and may also be subject to rescission by the District if expressly set forth in such notice.

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

In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Series 2016 Bonds then Outstanding under the Indenture may become and may be declared due and payable before the stated maturities thereof, with the interest accrued thereon.

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

Any moneys held by the Trustee or any Paying Agent in trust for the payment and discharge of any Bond which remain unclaimed for six (6) years after the date when such Bond has become due and payable, either at its stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee or any Paying Agent at such date, or for six (6) years after the date of deposit of such moneys if deposited with the Trustee or Paying Agent after the date when such Bond became due and payable, shall be paid to the District, and thereupon and thereafter no claimant shall have any rights against the Paying Agent to or in respect of such moneys.

If the District deposits or causes to be deposited with the Trustee cash or Federal Securities (as defined in the Indenture) sufficient to pay the principal or Redemption Price of any Bonds becoming due at maturity or by call for redemption in the manner set forth in the Indenture, together with the interest accrued to the due date, the lien of the Series 2016 Bonds as to the Series 2016 Trust Estate shall be discharged, except for the rights of the Owners thereof with respect to the funds so deposited as provided in the Indenture.

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

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

**CERTIFICATE OF VALIDATION**

This Bond is one of a Series of Bonds which were validated by judgment of the Circuit Court for Pasco County, Florida rendered on November 12, 2013.

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

**[FORM OF ABBREVIATIONS FOR SERIES 2016 BONDS]**

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

TEN COM as tenants in common

TEN ENT as tenants by the entireties

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

UNIFORM TRANSFER MIN ACT - \_\_\_\_\_ Custodian \_\_\_\_\_  
under Uniform Transfer to Minors Act \_\_\_\_\_

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

**[FORM OF ASSIGNMENT FOR SERIES 2016 BONDS]**

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

Dated:

Social Security Number or Employer

Identification Number of Transferee:

Signature guaranteed:

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

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

## EXHIBIT C

### TAX REGULATORY COVENANTS

These Tax Regulatory Covenants are intended to set forth certain duties and requirements necessary for compliance with provisions of the Internal Revenue Code of 1986, as amended (the "Code") to the extent necessary to preserve the tax-exempt treatment of interest on the Wiregrass Community Development District Capital Improvement Revenue Bonds, Series 2016 (the "Bonds"). These Covenants are based upon Sections 141-150 of the Code including, but not limited to 148(f) and Treasury Regulations thereunder (the "Regulations") including, but not limited to, Sections 1.148-0 through 1.148-11, 1.149(b)-1 and (d)-1, and 1.150-0 through 1.150-2, including continuing monitoring and compliance requirements. However, they are not intended to be exhaustive. Since the requirements of the Code and the Regulations are subject to amplification and clarification, it may be necessary to supplement or modify these Covenants from time to time to reflect any additional or different requirements of the Code and the Regulations or to specify that action required hereunder is no longer required or that some further or different action is required to maintain or assure the exemption from federal income tax of interest with respect to the Bonds.

The Bonds will be issued pursuant to a Master Trust Indenture, dated as of September 1, 2014 (the "Master Indenture"), from Wiregrass Community Development District (the "District") and U.S. Bank National Association, Orlando, Florida, as trustee (the "Trustee"), as amended and supplemented by a Second Supplemental Trust Indenture, dated as of February 1, 2016 (the "Supplemental Indenture") (the Master Indenture, as amended and supplemented by the Supplemental Indenture is hereinafter referred to as the "Indenture").

**SECTION 1. TAX COVENANTS.** Pursuant to the Indenture, the District has made certain covenants designed to assure that the interest with respect to the Bonds is and shall remain excludable from gross income for purposes of federal income taxation. The District shall not, directly or indirectly, use or permit the use of any proceeds of the Bonds or any other funds or take or omit to take any action that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, that would impermissibly change the use or user of the proceeds of the Bonds or any facilities constructed or acquired with the proceeds of the Bonds or that would otherwise cause interest on the Bonds to be included in gross income for federal income tax purposes under the provisions of the Code. The

District shall comply with all other requirements as shall be determined by Bond Counsel to be necessary or appropriate to assure that interest on the Bonds will be excludable from gross income for purposes of federal income taxation. To that end, the District shall comply with all requirements of the Code and the Regulations including adherence to monitoring requirements stated herein to the extent applicable to the Bonds.

**SECTION 2. DEFINITIONS.** Capitalized terms used herein, not otherwise defined herein, shall have the same meanings set forth in the Indenture and in the District's Certificate as to Arbitrage and Certain Other Tax Matters relating to the Bonds.

"Bond Counsel" means Nabors, Giblin & Nickerson, P.A., Tampa, Florida or such other firm of nationally recognized bond counsel as may be selected by the District.

"Bond Year" means any one-year period (or shorter period from the Issue Date) ending on the close of business on the day preceding the anniversary of the Issue Date.

"Code" means the Internal Revenue Code of 1986, as amended.

"Computation Date" means each date selected by the District as a computation date pursuant to Section 1.148-3(e) of the Regulations and the Final Computation Date.

"Fair Market Value" means, when applied to a Nonpurpose Investment, the Fair Market Value of such Investment as determined in accordance with Section 4 hereof.

"Final Computation Date" means the date the Bonds are discharged.

"Gross Proceeds" means, with respect to the Bonds:

- (1) amounts constituting Sale Proceeds of the Bonds.
- (2) amounts constituting Investment Proceeds of the Bonds.
- (3) amounts constituting Transferred Proceeds of the Bonds.
- (4) other amounts constituting Replacement Proceeds of the Bonds, including Pledged Moneys.

"Investment Proceeds" means any amounts actually or constructively received from investing proceeds of the Bonds.

"Investment Property" shall have the meaning as ascribed to such term in Section 148(b)(2) of the Code, which includes any security, obligation or other property held principally as a passive vehicle for the production of income, within the meaning of Section 1.148-1(e) of the Regulations.

"Issue Date" means [ ], 2016.

"Net Proceeds" means Sale Proceeds, less the portion of such Proceeds invested in a reasonably required reserve or replacement fund under the Code.

"Nonpurpose Investment" means any Investment Property in which Gross Proceeds are invested which is not acquired to carry out the governmental purpose of the Bonds, e.g., obligations acquired with Gross Proceeds that are invested temporarily until needed for the governmental purpose of the Bonds, that are used to discharge a prior issue, or that are invested in a reasonably required reserve or replacement fund, as referenced in Section 1.148-1(b) of the Regulations.

"Nonpurpose Payments" shall include the payments with respect to Nonpurpose Investments specified in Section 1.148-3(d)(1)(i)-(v) of the Regulations.

"Nonpurpose Receipts" shall include the receipts with respect to Nonpurpose Investments specified in Section 1.148-3(d)(2)(i)-(iii) of the Regulations.

"Pledged Moneys" means moneys that are reasonably expected to be used directly or indirectly to pay debt service on the Bonds (or to reimburse a municipal bond insurer) or as to which there is a reasonable assurance that such moneys or the earnings thereon will be available directly or indirectly to pay debt service on the Bonds (or to reimburse a municipal bond insurer) if the District encounters financial difficulties.

"Pre-Issuance Accrued Interest" means amounts representing interest that has accrued on an obligation for a period of not greater than one year before its issue date but only if those amounts are paid within one year after the Issue Date.

"Proceeds" means any Sale Proceeds, Investment Proceeds and Transferred Proceeds of the Bonds.

"Qualified Administrative Costs" means reasonable, direct administrative costs, other than carrying costs, such as separately stated brokerage and selling commissions that are comparable to those charged nongovernmental entities in transactions not involving tax-exempt bond proceeds, but not legal and accounting fees, recordkeeping, custody or similar costs. In addition, with respect to a guaranteed investment contract or investments purchased for a yield restricted defeasance escrow, such costs will be considered reasonable if (1) the amount of the fee the District treats as a Qualified Administrative Cost does not exceed the lesser of (a) \$39,000 (for calendar year 2016), or (b) the greater of .2% of the "computational base" or \$4,000 and (2) the District does not treat as Qualified Administrative Costs more than \$110,000 (for calendar year 2016) in brokers' commissions or similar fees with respect to all guaranteed investment contracts and investments for yield restricted defeasance escrows purchased with Gross Proceeds of the issue. For purposes of this definition only, "computational base" shall mean, with respect to guaranteed investment contracts, the amount of Gross Proceeds the District reasonably expects, as of the date the contract is acquired, to be deposited in the guaranteed investment contract over the term of the contract and for investments other than guaranteed investment contracts, "computational base" shall mean the amount of Gross Proceeds initially invested in such investments. The above-described safe harbor dollar amounts shall be increased each calendar year for cost of living adjustments pursuant to Section 1.148-1(e) of the Regulations.

"Rebatable Arbitrage" means, as of any Computation Date, the excess of the future value of all Nonpurpose Receipts over the future value of all Nonpurpose Payments.

"Rebate Fund" means the Rebate Fund established pursuant to the Indenture and described in Section 3 hereof.

"Regulations" means Treasury Regulations Sections 1.148-0 through 1.148-11, 1.149(b)-1 and (d)-1, and 1.150-0 through 1.150-2, as amended, and any regulations amendatory, supplementary or additional thereto.

"Replacement Proceeds" means amounts that have a sufficiently direct nexus to the Bonds or to the governmental purpose of the Bonds to conclude that the amounts would have been used for that governmental purpose if the Proceeds of the Bonds were not used or to be used for that governmental

purpose. For this purpose, governmental purposes include the expected use of amounts for the payment of debt service on a particular date. The mere availability or preliminary earmarking of amounts for a governmental purpose, however, does not in itself establish a sufficient nexus to cause those amounts to be Replacement Proceeds. Replacement Proceeds include, but are not limited to, amounts held in a sinking fund or a pledged fund. For these purposes, an amount is pledged to pay principal of or interest on the Bonds if there is reasonable assurance that the amount will be available for such purposes in the event that the issuer encounters financial difficulties.

"Sale Proceeds" means any amounts actually or constructively received by the District from the sale of the Bonds, including amounts used to pay underwriter's discount or compensation and interest other than Pre-Issuance Accrued Interest. Sale Proceeds shall also include, but are not limited to, amounts derived from the sale of a right that is associated with a Bond and that is described in Section 1.148-4(b)(4) of the Regulations.

"Tax-Exempt Investment" means (i) an obligation the interest on which is excluded from gross income pursuant to Section 103 of the Code, (ii) United States Treasury-State and Local Government Series, Demand Deposit Securities, and (iii) stock in a tax-exempt mutual fund as described in Section 1.150-1(b) of the Regulations. Tax-Exempt Investment shall not include a specified private activity bond as defined in Section 57(a)(5)(C) of the Code. For purposes of these Covenants, a tax-exempt mutual fund includes any regulated investment company within the meaning of Section 851(a) of the Code meeting the requirements of Section 852(a) of the Code for the applicable taxable year; having only one class of stock authorized and outstanding; investing all of its assets in tax exempt obligations to the extent practicable; and having at least 98% of (1) its gross income derived from interest on, or gain from the sale of or other disposition of, tax exempt obligations or (2) the weighted average value of its assets represented by investments in tax exempt obligations.

"Transferred Proceeds" shall have the meaning provided therefor in Section 1.148-9 of the Regulations.

"Universal Cap" means the value of all then outstanding Bonds.

"Value" (of a Bond) means with respect to a Bond issued with not more than two percent original issue discount or original issue premium, the outstanding principal amount, plus accrued unpaid interest; for any other Bond, its present value.

"Value" (of an Investment) shall have the following meaning in the following circumstances:

(1) General Rules. Subject to the special rules in the following paragraph, an issuer may determine the value of an investment on a date using one of the following valuation methods consistently applied for all purposes relating to arbitrage and rebate with respect to that investment on that date:

(a) an investment with not more than two percent original issue discount or original issue premium may be valued at its outstanding stated principal amount, plus accrued unpaid interest on such date;

(b) a fixed rate investment may be valued at its present value on such date; and

(c) an investment may be valued at its Fair Market Value on such date.

(2) Special Rules. Yield restricted investments are to be valued at present value provided that (except for purposes of allocating Transferred Proceeds to an issue, for purposes of the Universal Cap and for investments in a commingled fund other than a bona fide debt service fund unless it is a certain commingled fund):

(a) an investment must be valued at its Fair Market Value when it is first allocated to an issue, when it is disposed of and when it is deemed acquired or deemed disposed of, and provided further that;

(b) in the case of Transferred Proceeds, the Value of a Nonpurpose Investment that is allocated to Transferred Proceeds of a refunding issue on a transfer date may not exceed the Value of that investment on the transfer date used for purposes of applying the arbitrage restrictions to the refunded issue.

"Yield on the Bonds" or "Bond Yield" means, for all Computation Dates, the Yield expected as of the date hereof on the Bonds over the term of such Bonds computed by:

(i) using as the purchase price of the Bonds, the amount at which such Bonds were sold to the public within the meaning of Sections 1273 and 1274 of the Code; and

(ii) assuming that all of the Bonds will be paid at their scheduled maturity dates or in accordance with any mandatory redemption requirements.

"Yield" means, generally, the discount rate which, when used in computing the present value of all the unconditionally payable payments of principal and interest on an obligation and all the payments for qualified guarantees paid and to be paid with respect to such obligation, produces an amount equal to the present value of the issue price of such obligation. Present value is computed as of the date of issue of the obligation. There are, however, many additional specific rules contained in the Regulations which apply to the calculation and recalculation of yield for particular obligations and such rules should be consulted prior to calculating the yield for the Bonds on any Computation Date. Yield shall be calculated on a 360-day year basis with interest compounded monthly. For this purpose the purchase price of a Nonpurpose Investment or a Tax-Exempt Investment is its Fair Market Value, as determined pursuant to Section 4 of these Covenants, as of the date that it becomes allocated to Gross Proceeds of the Bonds.

### **SECTION 3. REBATE REQUIREMENTS.**

(a) The District shall pay to the United States Government at the times and in the amounts determined hereunder, the Rebatable Arbitrage. For purposes of determining the Rebatable Arbitrage, the District shall make such calculations or cause the calculations to be made by competent tax counsel or other financial or accounting advisors or persons to ensure correct application of the rules contained in the Code and the Regulations relating to arbitrage rebate.

(b) pursuant to the Indenture, there has been established a fund separate from any other fund or account established and maintained under the Indenture designated the "Rebate Fund." The District or its designated agent shall administer the Rebate Fund and continuously invest all amounts held in the Rebate Fund in Governmental Obligations (as defined in the Indenture) or Tax-Exempt Investments.

(c) Within 30 days after any Computation Date, the District shall calculate or cause to be calculated the Rebatable Arbitrage or any penalty due pursuant to Section 3(f) hereof. Immediately following such calculations, but in no event later than 60 days following the Computation Date (90 days in the case of any penalty payment due pursuant to Section 3(f) hereof), the District shall remit an amount which when added to the future value of

previous rebate payments shall not be less than 90% (100% with respect to the Computation Date on the final repayment or retirement of the Bonds) of the Rebatable Arbitrage or 100% of any penalty due pursuant to Section 3(f) hereof as of the applicable Computation Date.

Each payment shall be accompanied by Internal Revenue Service Form 8038-T.

(d) The obligation to pay Rebatable Arbitrage to the United States, as described herein, shall be treated as satisfied with respect to the Bonds if (i) Gross Proceeds are expended for the governmental purpose of the Bonds by no later than the date which is six months after the Issue Date and if it is not anticipated that any other Gross Proceeds will arise during the remainder of the term of the Bonds and (ii) the requirement to pay Rebatable Arbitrage, if any, to the United States with respect to the portion of the Reserve Account allocable to the Bonds is met. For purposes of the preceding sentence, Gross Proceeds do not include (i) amounts deposited in a bona fide debt service fund, so long as the funds therein constitute bona fide debt service funds, or a reasonably required reserve or replacement fund (as defined in Section 1.148-1 of the Regulations and meeting the requirements of Section 1.148-2(f) of the Regulations), (ii) amounts that, as of the Issue Date, are not reasonably expected to be Gross Proceeds but that become Gross Proceeds after the date which is six months after the Issue Date, (iii) amounts representing Sale or Investment Proceeds derived from any Purpose Investment (as defined in Section 1.148-1 of the Regulations) and earnings on those payments, and (iv) amounts representing any repayments of grants (as defined in Section 1.148-6(d)(4) of the Regulations). If Gross Proceeds are in fact expended by such date, then, except as to the Reserve Account, Rebatable Arbitrage with respect to such Gross Proceeds need not be calculated and no payment thereof to the United States Department of Treasury need be made. Use of Gross Proceeds to redeem Bonds shall not be treated as an expenditure of such Gross Proceeds.

Notwithstanding the foregoing, if Gross Proceeds which were reasonably expected to be Gross Proceeds on the Issue Date actually become available after the date which is six months after the Issue Date, then the requirements described herein relating to the calculation of Rebatable Arbitrage and the payment thereof to the United States must be satisfied, except that no such calculation or payment need be made with respect to the initial six month period. Any other amounts not described in this Section 3(d) which constitute proceeds of the Bonds, other than a bona fide debt service fund, will be subject to rebate.

(e) As an alternative to Section 3(d) above, the obligation of the District to pay Rebatale Arbitrage to the United States, as described herein, shall be treated as satisfied with respect to the Bonds if (i) the rebate requirement is met for all proceeds of the Bonds other than Gross Proceeds (as defined in Section 3(d) hereof) and (ii) the Gross Proceeds are expended for the governmental purposes of the issue within the periods set forth below:

(i) at least 15% of such Gross Proceeds are spent within the six-month period beginning on the Issue Date;

(ii) at least 60% of such Gross Proceeds are spent within the 1-year period beginning on the Issue Date; and

(iii) at least 100% of such Gross Proceeds are spent within the 18-month period beginning on the Issue Date.

As set forth in Section 1.148-7(d)(2) of the Regulations, for purposes of the expenditure requirements set forth in this Section 3(e), 100% of the Gross Proceeds of the Bonds shall be treated as expended for the governmental purposes of the issue within the 18-month period beginning on the Issue Date if such requirement is met within the 30-month period beginning on the Issue Date and such requirement would have been met within such 18-month period but for a reasonable retainage (not exceeding 5% of the Net Proceeds of the Bonds). If Gross Proceeds are in fact expended by such dates, then Rebatale Arbitrage need not be calculated and no payment thereof to the United States Department of Treasury need be made. Any failure to satisfy the final spending requirement shall be disregarded if the District exercises due diligence to complete the project financed by the Bonds and the amount of the failure does not exceed the lesser of (i) 3% of the issue price of the Bonds or (ii) \$250,000. Use of Gross Proceeds to redeem the Bonds shall not be treated as an expenditure of such Gross Proceeds. For purposes of this Section 3(e), "Gross Proceeds" shall be modified as described in Section 3(d) above.

(f) As an alternative to Sections 3(d) and (e) above, the obligation to pay Rebatale Arbitrage to the United States, as described herein, shall be treated as satisfied with respect to the Bonds if the Available Construction Proceeds (as defined in Section 148(f)(4)(c)(vi) of the Code and described below) are expended for the governmental purposes of the issue within the periods set forth below:

(i) at least 10% of such Available Construction Proceeds are spent within the six-month period beginning on the Issue Date;

(ii) at least 45% of such Available Construction Proceeds are spent within the 1-year period beginning on the Issue Date;

(iii) at least 75% of such Available Construction Proceeds are spent within the eighteen-month period beginning on the Issue Date; and

(iv) at least 100% of such Available Construction Proceeds are spent within the 2-year period beginning on the Issue Date.

For purposes of this Section 3(f), the term Available Construction Proceeds means the Net Proceeds of the Bonds, increased by earnings on the Net Proceeds, earnings on amounts in the Reserve Account to the extent that such amounts were not funded from proceeds of the Bonds and earnings on all of the foregoing earnings, and reduced by the amount of the Net Proceeds deposited to the Reserve Account and amounts used to pay issuance costs (including bond insurance premium). Notwithstanding the foregoing, Available Construction Proceeds shall not include amounts earned on the Reserve Account after the earlier of the close of the two-year period beginning on the Issue Date or the date construction is substantially completed. Any amounts which constitute proceeds of the Bonds other than Available Construction Proceeds and amounts on deposit in a bona fide debt service fund will be subject to rebate.

As set forth in Section 148(f)(4)(C)(iii) of the Code, for purposes of the expenditure requirements set forth in this Section 3(f), 100% of Available Construction Proceeds of the Bonds shall be treated as expended for the governmental purposes of the issue within the 2-year period beginning on the Issue Date if such requirement is met within the 3-year period beginning on the Issue Date and such requirement would have been met within such 2-year period but for a reasonable retainage (not exceeding 5% of the Net Proceeds of the Bonds). Use of Available Construction Proceeds to redeem the Bonds shall not be treated as an expenditure of such proceeds.

Any failure to satisfy the final spending requirement shall be disregarded if the District exercises due diligence to complete the project financed by the Bonds and the amount of the failure does not exceed the lesser of (i) 3% of the issue price of the Bonds or (ii) \$250,000.

For purposes of Section 148(f)(4)(C)(vii) of the Code, in the event the District fails to meet the expenditure requirements referred to above, the

District may elect to pay, in lieu of the Rebatale Arbitrage otherwise required to be paid with respect to such Gross Proceeds, a penalty with respect to the close of each 6-month period after the Issue Date equal to 1.5% of the amount of the Available Construction Proceeds of the Bonds which, as of the close of such period, are not spent as required by the expenditure provisions set forth above. The penalty referred to above shall cease to apply only after the Bonds (including any refunding bonds issued with respect thereto) are no longer outstanding. The District makes no election in regard to the above-described penalty.

In order to qualify for the exemption from the obligation to pay Rebatale Arbitrage to the United States pursuant to this Section 3(f), at least 75% of the Available Construction Proceeds must be used for construction expenditures (as defined in Section 1.148-7(g) of the Regulations) with respect to property which is owned by a governmental unit or an organization described in Section 501(c)(3) of the Code. The term "construction" includes reconstruction and rehabilitation of existing property and rules similar to the rules of Section 142(b)(1)(B) of the Code shall apply. If only a portion of an issue is to be used for construction expenditures, such portion and the other portion of such issue may, at the election of the issuer, be treated as separate issues for purposes of this Section 3(f) (although the remaining portion may not be entitled to the benefits of Section 3(d) hereof). The District does not elect to treat any portion of the Bonds as a separate issue.

(g) The District shall keep proper books of records and accounts containing complete and correct entries of all transactions relating to the receipt, investment, disbursement, allocation and application of the moneys related to the Bonds, including moneys derived from, pledged to, or to be used to make payments on the Bonds. Such records shall, at a minimum, be adequate to enable the District or its consultants to make the calculations for payment of Rebatale Arbitrage as required by this Arbitrage Rebate Statement. The records required to be maintained under this Section 3(g) shall be retained by the District until six years after the retirement of the last obligation of the Bonds or for such other period as the United States Treasury may by regulations otherwise provide. Such records shall at least specify the account or fund to which each investment (or portion thereof) is to be allocated and shall set forth, in the case of each investment security, (i) its purchase price (including the amount of accrued interest to be stated separately), (ii) identifying information, including par amount, coupon rate, and payment dates, (iii) the amount received at maturity or its sale price, as

the case may be, including accrued interest, (iv) the amounts and dates of any payments made with respect thereto, (v) the dates of acquisition and disposition or maturity, (vi) the amount of original issue discount or premium (if any), (vii) the frequency of periodic payments (and actual dates and amounts of receipts), (viii) the period of compounding, (ix) the transaction costs (e.g., commissions) incurred in acquiring, carrying or disposing of the Nonpurpose Investments, and (x) market price data sufficient to establish that the purchase price (disposition price) was not greater than (less than) the arm's-length price (see Section 4 below) on the date of acquisition (disposition) or, if earlier, on the date of a binding contract to acquire (dispose of) such Nonpurpose Investment.

**SECTION 4. MARKET PRICE RULES.** Except as provided below, the District agrees to comply with the requirements relating to the "Fair Market Value" of acquired Nonpurpose Investments, as defined in Section 1.148-5(d) of the Regulations ("Fair Market Value"). All investments required to be made pursuant to these Covenants shall be made to the extent permitted by law. In this regard, the District agrees, among other things, that it will not acquire or cause to be acquired a Nonpurpose Investment (or any other investment acquired with Gross Proceeds or on deposit in the Rebate Account) for a price in excess of its Fair Market Value or sell any such investment at a price (determined without any reduction for transaction costs) less than its Fair Market Value, except as provided below. For this purpose, the following rules shall apply:

(a) Established securities markets. Except as otherwise provided below, any market especially established to provide a security or obligation to an issuer of municipal obligations shall not be treated as an established market and shall be rebuttably presumed to be acquired or disposed of for a price that is not its Fair Market Value.

(b) Arm's-length price. Any transaction in which a Nonpurpose Investment is directly purchased with Gross Proceeds, or in which a Nonpurpose Investment allocable to Gross Proceeds is disposed of, shall be undertaken in an arm's-length manner, and no amount shall be paid to reduce the yield on the Nonpurpose Investment.

(c) Safe harbor for establishing Fair Market Value for guaranteed investment contracts and Nonpurpose Investments purchased for a yield restricted defeasance escrow. In the case of a guaranteed investment contract or Nonpurpose Investments purchased for a yield restricted

defeasance escrow, the purchase price shall not be considered to be an arm's-length price unless all the following conditions are met:

(i) The District makes a bona fide solicitation ("Bona Fide Solicitation") for the purchase of the investment that satisfies all of the following requirements:

(1) The bid specifications are in writing and are timely forwarded to potential providers;

(2) The bid specifications include all terms of the bid that may directly or indirectly affect the yield or the cost of the investment;

(3) The bid specifications include a statement notifying potential providers that submission of a bid is a representation that the potential provider did not consult with any other potential provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the District or any other person (whether or not in connection with the bond issue), and that the bid is not being submitted solely as a courtesy to the District or any other person for purposes of satisfying these requirements;

(4) The terms of the bid specifications are such that there is a legitimate business purpose for each term other than to increase the purchase price or reduce the yield of the investment (e.g., for solicitations of Nonpurpose Investments for a yield restricted defeasance escrow, the hold firm period must be no longer than the District reasonably requires);

(5) For purchases of guaranteed investment contracts only, the terms of the solicitation take into account the District's reasonably expected deposit and draw down schedule for the amounts to be invested;

(6) All potential providers have an equal opportunity to bid (e.g., no potential provider is given the opportunity to review other bids before providing a bid); and

(7) At least three providers are solicited for bids that have an established industry reputation as a competitive provider of the type of investments being purchased.

(ii) The bids received by the District must meet all of the following requirements:

(1) The District receives at least three bids from providers that the District solicited under a Bona Fide Solicitation and that do not have a material financial interest in the issue. A lead underwriter in a negotiated underwriting transaction is deemed to have a material financial interest in the issue until 15 days after the issue date of the issue. In addition, any entity acting as a financial advisor with respect to the purchase of the investment at the time the bid specifications are forwarded to potential providers has a material financial interest in the issue. A provider that is a related party to a provider that has a material financial interest in the issue is deemed to have a material financial interest in the issue.

(2) At least one of the three bids described in paragraph (c) (ii)(1) above is from a provider that has an established industry reputation as a competitive provider of the type of investments being purchased; and

(3) If the District uses an agent to conduct the bidding process, the agent did not bid to provide the investment.

(iii) The winning bid must meet the following requirements:

(1) Guaranteed investment contracts. If the investment is a guaranteed investment contract, the winning bid is the highest yielding bona fide bid (determined net of any broker's fees).

(2) Other Nonpurpose Investments. If the investment is not a guaranteed investment contract, the following requirements are met:

(A) The winning bid is the lowest cost bona fide bid (including any broker's fees). The lowest bid is either the lowest cost bid for the portfolio or, if the District compares the bids on an investment-by-investment basis, the aggregate cost of a portfolio comprised of the lowest cost bid for each investment. Any payment received by the District from a provider at the time a guaranteed investment contract is purchased (e.g., an escrow float contract) for a yield restricted defeasance escrow under a bidding procedure meeting these requirements is taken into account in determining the lowest cost bid.

(B) The lowest cost bona fide bid (including any broker's fees) is not greater than the cost of the most efficient portfolio comprised exclusively of State and Local Government Series Securities from the United States Department of the Treasury, Bureau of Public Debt. The cost of the most efficient portfolio of State and Local Government Series Securities is to be determined at the time that bids are required to be

submitted pursuant to the terms of the bid specifications. If such State and Local Government Series Securities are not available for purchase on the day that bids are required to be submitted because sales of those securities have been suspended, the cost comparison described in this paragraph is not required.

(iv) The provider of the investments or the obligor on the guaranteed investment contract certifies the administrative costs that it pays (or expects to pay) to third parties in connection with supplying the investment.

(d) The District shall retain certificates and records documenting compliance with the above requirements until three years after the last outstanding Bond is redeemed including, but not limited to, the following:

(i) For purchases of guaranteed investment contracts, a copy of the contract, and for purchases of Nonpurpose Investments other than guaranteed investment contracts, the purchase agreement or confirmation;

(ii) The receipt or other record of the amount actually paid by the District for the investments, including a record of any administrative costs paid by the District and the certification required in paragraph (c)(iv) above;

(iii) For each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results;

(iv) The bid solicitation form and, if the terms of the purchase agreement or the guaranteed investment contract deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation; and

(v) For purchase of Nonpurpose Investments other than guaranteed investment contracts, the cost of the most efficient portfolio of State and Local Government Series Securities, determined at the time that the bids were required to be submitted.

**SECTION 5. MODIFICATION UPON RECEIPT OF BOND COUNSEL OPINION.** Notwithstanding any provision of these Covenants, if the District shall receive an opinion of Bond Counsel that any specified action required under these Covenants is no longer required or that some further or different action is required to maintain or assure the exclusion from federal gross income of interest with respect to the Bonds, the District

may conclusively rely on such opinion in complying with the requirements of these Covenants and the covenants herein shall be deemed to be modified to that extent. These Covenants shall be amended or modified by the parties hereto in any manner which is necessary to comply with such regulations as may be promulgated by the United States Treasury Department from time to time.

**SECTION 6. ACCOUNTING FOR GROSS PROCEEDS.** In order to perform the calculations required by the Code and the Regulations, it is necessary to track the investment and expenditure of all Gross Proceeds. To that end, the District must adopt reasonable and consistently applied methods of accounting for all Gross Proceeds. Appendix I hereto sets forth a description of the required allocation and accounting rules with which the District agrees to comply.

**SECTION 7. ADMINISTRATIVE COSTS OF INVESTMENTS.** Except as otherwise provided in this Section 7, an allocation of Gross Proceeds to a payment or receipt on a Nonpurpose Investment is not adjusted to take into account any costs or expenses paid, directly or indirectly, to purchase, carry, sell or retire the Nonpurpose Investment (administrative costs). Thus, administrative costs generally do not increase the payments for, or reduce the receipts from, Nonpurpose Investments.

In determining payments and receipts on Nonpurpose Investments, Qualified Administrative Costs are taken into account by increasing payments for, or reducing the receipts from, the Nonpurpose Investments. Qualified Administrative Costs are reasonable, direct administrative costs, other than carrying costs, such as separately stated brokerage or selling commissions, but not legal and accounting fees, recordkeeping, custody and similar costs. General overhead costs and similar indirect costs of the District such as employee salaries and office expenses and costs associated with computing Rebutable Arbitrage are not Qualified Administrative Costs.

Allocation and accounting rules are provided in Appendix I attached hereto.

**SECTION 8. CHANGE IN USE OR USER; REMEDIAL ACTION PROVISIONS.** (a) The District hereby covenants and agrees that it will not take any deliberate action which would result in a change in use of the proceeds of the Bonds or the facilities financed with the proceeds of the Bonds (a "Change in Use"), nor will it take any deliberate action allowing any private business user or use of the proceeds of the Bonds or the facilities

financed with the proceeds of the Bonds (a "Change in User"), except upon first obtaining the opinion of Bond Counsel that such action will not cause interest on the Bonds to cease to be excluded from gross income for federal income tax purposes, or unless the District shall immediately take remedial action as set forth in subsections (b), (c) or (d) below, as applicable, provided that the Bonds shall have satisfied the conditions precedent to the availability of remedial action as set forth in subsection (e) below.

(b) Redemption or Defeasance of Non-Qualified Bonds. This remedial action is met if:

(1) Redemption of Bonds. In all instances of a Change in Use or a Change in User, the District may redeem all of the Outstanding Bonds from the proceeds of bonds the interest on which is not excludible from gross income for federal income tax purposes ("Taxable Bonds") or from other moneys of the District ("Equity") or borrowed funds not constituting the proceeds of bonds the interest on which is excludible from gross income for federal income tax purposes ("Tax Exempt Bonds") unless the bonds would be qualified private activity bonds after taking into account the purchaser's use of the facility. Taxable bond proceeds may be used. If the bonds are not redeemed within 90 days, a Defeasance Escrow (as defined in paragraph (3) below) must be established for all of the Nonqualified Bonds (as defined in (2) below) within 90 days of the deliberate act.

(2) Transfers Exclusively for Cash. If there is a Change in Use of a facility financed with the proceeds of the Bonds because it is transferred to a non-governmental person and such transfer is exclusively for cash (the "Disposition Proceeds"), it shall be a sufficient remedial action if the Disposition Proceeds are used to redeem a pro rata portion of Bonds allocable to the Disposition Proceeds (the "Nonqualified Bonds") at the earliest call date after the deliberate action. If the Nonqualified Bonds are not redeemed within 90 days of the date of the transfer, the Disposition Proceeds must be used to establish a Defeasance Escrow (as defined below) for the Nonqualified Bonds within 90 days of the deliberate action. Note that with a disposition exclusively for cash, the amount of Nonqualified Bonds to be redeemed or defeased is based on the amount of Disposition Proceeds received even if this amount is less than the amount of Nonqualified Bonds allocable to the facility which was transferred.

(3) Defeasance Escrow. A Defeasance Escrow must be an irrevocable escrow established to redeem Nonqualified Bonds at their earliest call date in an amount sufficient to pay all of the principal, interest and

redemption premium on the Nonqualified Bonds from the date the Defeasance Escrow is established to the earliest call date. The Defeasance Escrow may not be funded with any obligations of the District or installment sale notes of the purchaser of the facility. The yield of the investments in the escrow is restricted to the yield on the Nonqualified Bonds. The District shall also give written notice to the Commissioner of Internal Revenue of the establishment of the Defeasance Escrow within 90 days of the date that the Defeasance Escrow is established. Note that to apply this remedial action, the first call date of the Nonqualified Bonds may not be more than 10.5 years from the date of issue of the Nonqualified Bonds (not the date of the deliberate action).

(c) Alternative Use of Disposition Proceeds. This remedial action is met if: (1) the facility is disposed of exclusively for cash; (2) the District reasonably expects that the Disposition Proceeds will be spent within two (2) years of the deliberate action; (3) the Disposition Proceeds are treated as proceeds for purposes of the private activity bond tests and are used in a manner that does not cause the issue to meet the private activity bond tests; and (4) any Disposition Proceeds not used for alternative projects are used to redeem or defease bonds.

(d) Alternative Use of Facility. This remedial action is satisfied if: (1) the facility itself (as distinguished from the proceeds of the issue) is used in an alternative manner, e.g., for a different purpose or by a different person; (2) the nonqualified bonds are treated as reissued on the date of the deliberate action and must independently meet all of the requirements for tax exemption under Sections 141 through 150, except the arbitrage and rebate rules of Section 148, for the remaining term of the Nonqualified Bonds; (3) the deliberate action does not involve a transfer of the facility to a purchaser that finances the acquisition with the proceeds of another issue of Tax Exempt Bonds; and (4) any Disposition Proceeds, other than those arising from an agreement to provide services, resulting from the deliberate action are used to pay debt service on the Nonqualified Bonds on the next available payment date or escrowed within ninety (90) days of receipt and yield restricted to pay debt service on the next available payment date.

(e) Conditions Precedent to Availability of Remedial Action Alternatives. In order to qualify for the use of subsections (b) through (d) above, as applicable, the District hereby certifies, understands and covenants as follows:

(1) Reasonable Expectations Test. The District hereby certifies that it reasonably expects on the date hereof that the issue will not meet either of the private activity bond tests for the entire term of the Bonds.

(2) Maturity Not Unreasonably Long. The weighted average maturity of the Bonds is not longer than 120% of the average reasonably expected economic life of the bond financed property as of the date hereof.

(3) Fair Market Value Consideration. Except for a situation in which the District applies the alternative use of the facility remedial action, the District understands that the terms of any agreement that cause the private loan test or the private business test to be exceeded must be bona fide and arm's length, and the new user must pay fair market value for the use of the bond financed property.

(4) Disposition Proceeds Treated as Gross Proceeds for Arbitrage Purposes. The District covenants and agrees that it will treat all of any Disposition Proceeds as gross proceeds for arbitrage purposes, i.e., the Disposition Proceeds are subject to yield restriction, except to the extent they may be invested at an unrestricted yield during a temporary period, and the investment earnings thereon are subject to the rebate requirement, except to the extent they may qualify for an exception to rebate. The date of receipt of the Disposition Proceeds is treated as the date of issue of any Nonqualified Bonds for purposes of applying the temporary period rules and for purposes of qualifying for a spending exception to rebate. Furthermore, the receipt of the Disposition Proceeds are ignored for spending exceptions to rebate that were met before the Disposition Proceeds were received.

(5) Proceeds Expended on a Governmental Purpose. Except for a situation in which the District applies subsection (b) above, the proceeds of the issue that are affected by the deliberate action must actually have been spent on a governmental purpose before the date of the deliberate action.

(f) General Acknowledgement of the District. The District covenants and agrees that it will promptly notify Bond Counsel of the occurrence of any one of the events set forth in (b) through (d) above and of any remedial action taken; however, it is understood by the District that the District, solely, and not Bond Counsel shall have the responsibility for the monitoring of, and compliance with, the requirements for the permitted use and users of the Bond proceeds and financed facilities and for timely taking any remedial action specified above available to preserve the status of the Bonds as Tax Exempt Bonds.

## APPENDIX I

### ALLOCATION AND ACCOUNTING RULES

(a) General Rule. Any issuer may use any reasonable, consistently applied accounting method to account for Gross Proceeds, investments and expenditures of an issue. An accounting method is "consistently applied" if it is applied uniformly within a Fiscal Period (as hereinafter defined) and between Fiscal Periods to account for Gross Proceeds of an issue and any amounts that are in a commingled fund.

(b) Allocation of Gross Proceeds to an Issue. Amounts are allocable to only one issue at a time as Gross Proceeds. Amounts cease to be allocated to an issue as Proceeds only when those amounts (i) are allocated to an expenditure for a governmental purpose; (ii) are allocated to Transferred Proceeds of another issue of obligations; or (iii) cease to be allocated to that issue at retirement of the issue or under the Universal Cap.

(c) Allocation of Gross Proceeds to Investments. Upon the purchase or sale of a Nonpurpose Investment, Gross Proceeds of an issue are not allocated to a payment for that Nonpurpose Investment in an amount greater than, or to a receipt from that Nonpurpose Investment in an amount less than, the Fair Market Value of the Nonpurpose Investment as of the purchase or sale date. The Fair Market Value of a Nonpurpose Investment is adjusted to take into account Qualified Administrative Costs allocable to the investment. Thus, Qualified Administrative Costs increase the payments for, or decrease the receipts from, a Nonpurpose Investment.

(d) Allocation of Gross Proceeds to Expenditures. Reasonable accounting methods for allocating funds from different sources to expenditures for the same governmental purpose include a "specific tracing" method, a "gross-proceeds-spent-first" method, a "first-in-first-out" method or a ratable allocation method, so long as the method used is consistently applied. An allocation of Gross Proceeds of an issue to an expenditure must involve a current outlay of cash for a governmental purpose of the issue. A current outlay of cash means an outlay reasonably expected to occur not later than five banking days after the date as of which the allocation of Gross Proceeds to the expenditure is made.

(e) Commingled Funds. Any fund or account that contains both Gross Proceeds of an issue and amounts in excess of \$25,000 that are not

Gross Proceeds of that issue if the amounts in the fund or account are invested and accounted for collectively, without regard to the source of the funds deposited therein, constitutes a "commingled fund." All payments and receipts (including deemed payments and receipts) on investments held by a commingled fund must be allocated (but not necessarily distributed) among each different source of funds invested in the commingled fund in accordance with a consistently applied, reasonable ratable allocation method. Reasonable ratable allocation methods include, without limitation, methods that allocate payments and receipts in proportion to either (i) the average daily balances of the amounts in the commingled fund from each different source of funds during any consistent time period within its fiscal year, but at least quarterly (the "Fiscal Period"); or (ii) the average of the beginning and ending balances of the amounts in the commingled fund from each different source of funds for a Fiscal Period that does not exceed one month.

Funds invested in the commingled fund may be allocated directly to expenditures for governmental purposes pursuant to a reasonable consistently applied accounting method. If a ratable allocation method is used to allocate expenditures from the commingled fund, the same ratable allocation method must be used to allocate payments and receipts on investments in the commingled fund.

Generally a commingled fund must treat all its investments as if sold at Fair Market Value either on the last day of the fiscal year or on the last day of each Fiscal Period. The net gains or losses from these deemed sales of investments must be allocated to each different source of funds invested in the commingled fund during the period since the last allocation. This mark-to-market requirement does not apply if (i) the remaining weighted average maturity of all investments held by a commingled fund during a particular fiscal year does not exceed 18 months, and the investments held by the commingled fund during that fiscal year consist exclusively of obligations; or (ii) the commingled fund operated exclusively as a reserve fund, sinking fund or replacement fund for two or more issues of the same issuer. Subject to the Universal Cap limitation, and the principle that amounts are allocable to only one issue at a time as Gross Proceeds, investments held by a commingled fund must be allocated ratably among the issues served by the commingled fund in proportion to either (i) the relative values of the bonds of those issues; (ii) the relative amounts of the remaining maximum annual debt service requirements on the outstanding principal amounts of those issues; or (iii) the relative original stated principal amounts of the outstanding issues.

(f) Universal Cap. Amounts that would otherwise be Gross Proceeds allocable to an issue are allocated (and remain allocated) to the issue only to the extent that the Value of the Nonpurpose Investments allocable to those Gross Proceeds does not exceed the Value of all outstanding bonds of the issue. Nonpurpose Investments allocated to Gross Proceeds in a bona fide debt service fund for an issue are not taken into account in determining the Value of the Nonpurpose Investments, and those Nonpurpose Investments remain allocated to the issue. To the extent that the Value of the Nonpurpose Investments allocable to the Gross Proceeds of an issue exceed the Value of all outstanding bonds of that issue, an issuer should seek the advice of Bond Counsel for the procedures necessary to comply with the Universal Cap.

(g) Expenditure for Working Capital Purposes. Subject to certain exceptions, the Proceeds of an issue may only be allocated to "working capital expenditures" as of any date to the extent that those expenditures exceed "available amounts" as of that date (i.e., "proceeds-spent-last").

For purposes of this section, "working capital expenditures" include all expenditures other than "capital expenditures." "Capital expenditures" are costs of a type properly chargeable (or chargeable upon proper election) to a capital account under general federal income tax principles. Such costs include, for example, costs incurred to acquire, construct or improve land, buildings and equipment having a reasonably expected useful life in excess of one year. Thus, working capital expenditures include, among other things, expenditures for current operating expenses and debt service.

For purposes of this section, "available amount" means any amount that is available to an issuer for working capital expenditure purposes of the type financed by the issue. Available amount excludes Proceeds of the issue but includes cash, investments and other amounts held in accounts or otherwise by an issuer for working capital expenditures of the type being financed by the issue without legislative or judicial action and without a legislative, judicial or contractual requirement that those amounts be reimbursed. Notwithstanding the preceding sentence, a "reasonable working capital reserve" is treated as unavailable. A working capital reserve is reasonable if it does not exceed five percent of the actual working capital expenditures of an issuer in the fiscal year before the year in which the determination of available amounts is made. For purpose of the preceding sentence only, in determining the working capital expenditures of an issuer for a prior fiscal year, any expenditures (whether capital or working capital

expenditures) that are paid out of current revenues may be treated as working capital expenditures.

The proceeds-spent-last requirement does not apply to expenditures to pay (i) any Qualified Administrative Costs; (ii) fees for qualified guarantees of the issue or payments for a qualified hedge for the issue; (iii) interest on the issue for a period commencing on the Issue Date and ending on the date that is the later of three years from the Issue Date or one year after the date on which the financed project is placed in service; (iv) the United States for yield reduction payments (including rebate payments) or penalties for the failure to meet the spend down requirements associated with certain spending exceptions to the rebate requirement; (v) costs, other than those described in (i) through (iv) above, that do not exceed five percent of the Sale Proceeds of an issue and that are directly related to capital expenditures financed by the issue (e.g., initial operating expenses for a new capital project); (vi) principal or interest on an issue paid from unexpected excess sale or Investment Proceeds; (vii) principal or interest on an issue paid from investment earnings on a reserve or replacement fund that are deposited in a bona fide debt service fund; and (viii) principal, interest or redemption premium on a prior issue and, for a crossover refunding issue, interest on that issue. Notwithstanding the preceding paragraph, the exceptions described above do not apply if the allocation merely substitutes Gross Proceeds for other amounts that would have been used to make those expenditures in a manner that gives rise to Replacement Proceeds.

**EXHIBIT C**  
**FORM OF PRELIMINARY LIMITED OFFERING MEMORANDUM**

**EXHIBIT D**  
**FORM OF CONTINUING DISCLOSURE AGREEMENT**