

In the opinion of Bond Counsel, assuming compliance with existing statutes, regulations, rulings and court decisions, interest on the 2000 Bonds is excluded from gross income for federal income tax purposes. However, see "TAX MATTERS" herein for a description of the federal alternative minimum tax on corporations and certain other federal tax consequences of ownership of the 2000 Bonds. Bond Counsel is further of the opinion that the 2000 Bonds and the interest thereon, are exempt from taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes on interest, income or profits on debt obligations owned by corporations, as defined in said Chapter 220. See "TAX MATTERS" herein.

PARKWAY CENTER COMMUNITY DEVELOPMENT DISTRICT (Hillsborough County, Florida)

\$3,405,000 Special Assessment Revenue Bonds, Series 2000A
\$26,595,000 Special Assessment Revenue Bonds, Series 2000B

Dated: May 1, 2000

Due Date: As set forth below

The \$3,405,000 Parkway Center Community Development District Special Assessment Revenue Bonds, Series 2000A (the "2000A Bonds") and the \$26,595,000 Parkway Center Community Development District Special Assessment Revenue Bonds, Series 2000B (the "2000B Bonds," together with the 2000A Bonds, collectively, the "2000 Bonds") are being issued by the Parkway Center Community Development District (the "District") which is located in Hillsborough County, Florida (the "County"), only in fully registered form, in denominations of \$5,000, provided, however, that the 2000 Bonds will be deliverable to the initial purchasers only in aggregate denominations of \$100,000 or integral multiples of \$5,000 in excess of \$100,000. The District, a local unit of special purpose government of the State of Florida, established under and pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act").

The 2000 Bonds, when issued, will be registered in the name of Cede & Co., as the nominee for The Depository Trust Company ("DTC"), New York, New York. Purchases of beneficial interests in the 2000 Bonds will be made in book-entry only form. Accordingly, principal of and interest on the 2000 Bonds will be paid from the sources provided below by First Union National Bank, as trustee (the "Trustee"), directly to Cede & Co. as the nominee of DTC and the registered owner thereof. Disbursements of such payments to the DTC Participants is the responsibility of DTC and disbursements of such payments to the beneficial owners is the responsibility of DTC Participants and the Indirect Participants, as more fully described herein. Beneficial owners of a 2000 Bond must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive payment of the principal of and interest on such 2000 Bonds. See "DESCRIPTION OF THE 2000 BONDS — Book-Entry Only System" herein. The 2000 Bonds will bear interest at the fixed rate set forth below, calculated on the basis of a 360-day year comprised of twelve thirty-day months, payable semi-annually on each May 1 and November 1, commencing November 1, 2000.

The 2000A Bonds are subject to optional redemption, mandatory redemption and extraordinary mandatory redemption at the times, in the amounts and at the redemption prices as more fully described herein. See "DESCRIPTION OF THE 2000 BONDS — 2000A Bonds" set forth in this Limited Offering Memorandum.

The 2000B Bonds are not subject to optional redemption or mandatory redemption, but are subject to extraordinary mandatory redemption at the times, in the amounts and at the redemption prices as more fully described herein. See "DESCRIPTION OF THE 2000 BONDS — 2000B Bonds" set forth in this Limited Offering Memorandum.

The 2000 Bonds are being issued by the District pursuant to the Act, Resolution No. 00-4 adopted by the Board of Supervisors of the District (the "Board"), on April 27, 2000 (the "Resolution") and a Master Trust Indenture, dated as of May 1, 1990 (the "Master Indenture") between the District and the Trustee, as supplemented by that certain Sixth Supplemental Trust Indenture, dated as of May 1, 2000 (the "Supplemental Indenture") between the District and the Trustee, together with the Master Indenture, collectively, the "Indenture." Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture.

The 2000 Bonds are being issued to: (i) refund and redeem all of the Outstanding principal amount of the 1997 Bonds (as defined herein); (ii) finance the Cost of acquiring, constructing and equipping assessable improvements (the "2000 Project"); (iii) pay certain costs associated with the issuance of the 2000 Bonds; (iv) make a deposit into the 2000A Reserve Account and the 2000B Reserve Account for the benefit of the 2000A Bonds and the 2000B Bonds, collectively; and (v) pay a portion of the interest to become due on the 2000 Bonds.

The 2000 Bonds are equally and ratably secured under the Indenture by a first lien upon and pledge of the amounts collected by or on behalf of the District from landowners or otherwise collected as a result of Assessments, including amounts received from the collection of Delinquent Assessments (the "2000 Assessments"). The 2000 Assessments will be levied upon land within the District specially benefitted by certain infrastructure improvements to be acquired, constructed and equipped, or previously, acquired constructed or equipped by the District with the proceeds of the 2000 Bonds. See "THE 2000 PROJECT" herein for a more detailed description of such improvements. The 2000 Bonds are limited obligations of the District payable solely from the assessments, funds, accounts and other sources pledged thereto under the terms and provisions of the Indenture and do not constitute an indebtedness of the State of Florida (the "State") or the County. The issuance of the 2000 Bonds shall not directly, indirectly or contingently obligate the District to levy or to pledge any other funds whatever therefor or to make any appropriation for its payment except from 2000 Assessments. The 2000 Bonds are not obligations or indebtedness of the State or any agency, authority, district or political subdivision of the State, including the County, other than the District.

NO APPLICATION HAS BEEN MADE FOR A RATING WITH RESPECT TO THE 2000 BONDS, NOR IS THERE ANY REASON TO BELIEVE THAT THE DISTRICT WOULD HAVE BEEN SUCCESSFUL IN OBTAINING AN INVESTMENT GRADE RATING FOR THE 2000 BONDS HAD APPLICATION BEEN MADE. THE UNDERWRITER IS LIMITING THIS OFFERING TO ACCREDITED INVESTORS WITHIN THE MEANING OF THE RULES OF THE FLORIDA DEPARTMENT OF BANKING AND FINANCE. PROSPECTIVE INVESTORS SHOULD BE AWARE OF CERTAIN RISK FACTORS, THAT COULD DELAY OR PREVENT PAYMENT OF PRINCIPAL OF, AND/OR INTEREST ON THE 2000 BONDS. SEE "SECURITY FOR AND SOURCE OF PAYMENT OF THE 2000 BONDS," "BONDHOLDERS' RISKS" AND "SUITABILITY FOR INVESTMENT" HEREIN FOR A SUMMARY OF THESE RISKS. EACH PROSPECTIVE INVESTOR SHOULD CONDUCT ITS OWN INVESTIGATION INTO THE DISTRICT, THE SOURCES OF PAYMENT FOR THE 2000 BONDS AND THE RISKS OF INVESTMENT IN THE 2000 BONDS, AND SHOULD INDEPENDENTLY EVALUATE THE MERITS AND RISKS OF SUCH AN INVESTMENT.

This cover page contains information for quick reference only. It is not a summary of the 2000 Bonds. Investors must read the entire Limited Offering Memorandum to obtain information essential to the making of an informed investment decision.

MATURITY SCHEDULE

\$3,405,000 — 8.25% Series 2000A Term Bonds due May 1, 2031 — Price 100%
\$26,595,000 — 8.00% Series 2000B Term Bonds due May 1, 2010 — Price 98.319%

The 2000 Bonds are offered for delivery when, as and if issued by the District and accepted by the Underwriter, subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval by Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, as to the validity of the 2000 Bonds and the excludability of interest thereon from gross income for federal income tax purposes. Certain legal matters will be passed upon for the District by its counsel, Williams, Schifano, Mangione & Steady, P.A., Tampa, Florida; and for the Developer by its counsel, Fowler, White, Gillen, Boggs, Villareal and Banker, P.A., Tampa, Florida and by Nabors, Giblin & Nickerson, P.A., Orlando, Florida, Disclosure Counsel. It is expected that the 2000 Bonds will be available through the facilities of DTC in New York, New York on or about May 1, 2000.

PRAGER, MCCARTHY & SEALY, LLC

Dated: April 27, 2000

No broker, dealer, salesperson, or other person has been authorized by the District or the Underwriter (as defined herein) to give any information or to make any representations, other than those contained in this Limited Offering Memorandum, and if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing. This Limited Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy any of the 2000 Bonds and there shall be no offer, solicitation, or sale of the 2000 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The Underwriter has provided the following sentence for inclusion in this Limited Offering Memorandum. The Underwriter has reviewed the information in this Limited Offering Memorandum in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The information and expressions of opinion herein contained are subject to change without notice and neither the delivery of this Limited Offering Memorandum, nor any sale made hereunder, shall, under any circumstances, create any implication that there has been no change in the affairs of the District or the Developer since the date hereof.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2000 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE 2000 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939. THE REGISTRATION OR QUALIFICATION OF THE 2000 BONDS UNDER THE SECURITIES LAWS OF ANY JURISDICTIONS IN WHICH THEY MAY HAVE BEEN REGISTERED OR QUALIFIED, IF ANY, SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THE STATE OF FLORIDA (THE "STATE"), HILLSBOROUGH COUNTY (THE "COUNTY"), THE DISTRICT, NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE 2000 BONDS. THE DISTRICT HAS PASSED UPON THE ACCURACY AND FACTUAL COMPLETENESS OF THIS LIMITED OFFERING MEMORANDUM, OTHER THAN THOSE SECTIONS CAPTIONED "DESCRIPTION OF THE 2000 BONDS -- BOOK-ENTRY ONLY SYSTEM," "THE DEVELOPER," AND "THE DEVELOPMENT;" HOWEVER, NEITHER THE STATE, THE COUNTY, NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE ACCURACY OR COMPLETENESS OF THE LIMITED OFFERING MEMORANDUM.

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Limited Offering Memorandum

PARKWAY CENTER COMMUNITY DEVELOPMENT DISTRICT
(Hillsborough County, Florida)
\$3,405,000 Special Assessment Revenue Bonds, Series 2000A
\$26,595,000 Special Assessment Revenue Bonds, Series 2000B

INTRODUCTION

The purpose of this Limited Offering Memorandum is to provide information concerning the Parkway Center Community Development District (the "District"), in connection with the issuance of its \$3,405,000 Parkway Center Community Development District Special Assessment Revenue Bonds, Series 2000A (the "2000A Bonds") and the \$26,595,000 Parkway Center Community Development District Special Assessment Revenue Bonds, Series 2000B (the "2000B Bonds," together with the 2000A Bonds, collectively, the "2000 Bonds"). The District was created as a community development district on November 17, 1990, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"). The 2000 Bonds are being issued pursuant to the Act, Resolution No. 00-4 adopted by the Board of Supervisors of the District (the "Board") on April 27, 2000 (the "Resolution") and a Master Trust Indenture, dated as of May 1, 1990 (the "Master Indenture") between the District and First Union National Bank, as trustee (the "Trustee"), as supplemented by that certain Sixth Supplemental Trust Indenture, dated as of May 1, 2000 (the "Supplemental Indenture") between the District and the Trustee, together with the Master Indenture, collectively, the "Indenture." Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture. See "APPENDIX A - FORM OF MASTER TRUST INDENTURE" herein.

The 2000 Bonds are not a suitable investment for all investors. See, "BONDHOLDERS' RISKS" and "SUITABILITY FOR INVESTMENT" herein. The Underwriter is limiting the offering of the 2000 Bonds to Accredited Investors within the meaning of the rules of the Florida Department of Banking and Finance. The 2000 Bonds will be the third series of securities to be issued by the District not including the District's Revenue Anticipation Notes 1993-RAN-1 and 1993-RAN-2 (the "Notes") the proceeds of which were used for District operating expenses. The District has previously issued its Special Assessment Bonds, Series 1990A in the original principal amount of \$21,500,000 (the "1990 Bonds"). The District has also issued its Special Assessment Refunding Bonds, Series 1997 in the original principal amount of \$21,105,000 (the "1997 Bonds") of which \$15,165,000 are currently Outstanding. The 1997 Bonds refunded the 1990 Bonds and the Notes. No person has been authorized by the District or the Underwriter to give any information or to make any representations, other than those contained in this Limited Offering Memorandum, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing.

The District was established by ordinance of the Board of Commissioners of Hillsborough County, Florida (the "County"), enacted, ordered and approved on November 11, 1988 under the provisions of the Act for the purposes of, among other things, financing and managing the acquisition, construction, maintenance and operation of the major infrastructure necessary within and without the District for community development. The Act authorizes the District, among other things, to issue the 2000 Bonds for the purpose of refunding and redeeming its Outstanding 1997 Bonds.

The 2000 Bonds are being issued to: (i) refund and redeem all of the Outstanding principal amount of the 1997 Bonds (as defined herein); (ii) financing the Cost of acquiring, constructing and equipping assessable improvements (the "2000 Project"); (iii) paying certain costs associated with the issuance of the 2000 Bonds; (iv) making a deposit into the 2000A Reserve Account and the 2000B Reserve Account for the benefit of the 2000A Bonds and the 2000B Bonds, collectively; and (v) paying a portion of the interest to become due on the 2000 Bonds

The District has covenanted not to issue or incur any obligations payable on a parity from the proceeds of 2000 Assessments securing the 2000 Bonds nor to voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge upon the 2000 Assessments except for fees, commissions, costs, and other charges payable to the Property Appraiser or to the Tax Collector pursuant to State law. The District may however levy assessments on the same real property which is encumbered by the 2000 Assessments. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE 2000 BONDS" herein.

There follows in this Limited Offering Memorandum a brief description of the District and certain provisions of the Act, the 2000 Project to be constructed and acquired with the proceeds of the 2000 Bonds, together with summaries of the terms of the 2000 Bonds and the Indenture. All references herein to the Indenture and the Act are qualified in their entirety by reference to such documents and all references to the 2000 Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture.

DESCRIPTION OF THE 2000 BONDS

General

The 2000 Bonds are issuable only in fully registered form, in denominations of \$5,000, provided, however, that the 2000 Bonds will be deliverable to initial purchasers thereof only in aggregate denominations of \$100,000 and or integral multiples of \$5,000 in excess thereof. The 2000 Bonds will be sold only to Accredited Investors within the meaning of the Rules of the Florida Department of Banking and Finance.

The 2000 Bonds will be dated May 1, 2000, shall bear its date of authentication and each 2000 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 2000 Bond has been paid, in which event such 2000 Bond shall bear interest from its date of authentication; or (ii) is prior to the first Interest Payment Date for the 2000 Bonds, in which event, such 2000 Bond shall bear interest from its date. Interest on the 2000 Bonds shall be due and payable on each May 1 and November 1, commencing November 1, 2000, and shall be computed on the basis of a 360-day year of twelve 30-day months.

The 2000 Bonds shall be initially issued in the form of a separate single certificated fully registered 2000 Bond for each series and maturity thereof. Upon initial issuance, the ownership of each such 2000 Bond shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York ("DTC"), the initial Bond Depository. See "DESCRIPTION OF THE 2000 BONDS - Book-Entry Only System" herein. Except as provided herein, all of the Outstanding 2000 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 2000 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 Direct Participant or to any Indirect 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 Direct Participant with respect to any ownership interest in the 2000 Bonds, (ii) the delivery to any Direct 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 2000 Bonds, including any notice of redemption, or (iii) the payment to any Direct 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 2000 Bonds. The District, the Trustee, the Bond Registrar and the Paying Agent may treat and consider the person in whose name each 2000 Bond is registered in the registration books kept by the Bond Registrar as the absolute owner of such 2000 Bond for the purpose of payment of principal, premium and interest with respect to such 2000 Bond, for the purpose of giving notices of redemption and other matters with respect to such 2000 Bond, for the purpose of registering transfers with respect to such 2000 Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium, if any, and interest on the 2000 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 2000 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 2000 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., 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 2000 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 2000 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 2000 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 2000 Bonds shall designate, in accordance with the provisions of the Supplemental Indenture.

First Union National Bank is the initial Trustee, Bond Registrar and Paying Agent for the 2000 Bonds.

The 2000 Bonds are limited obligations of the District issued under the provisions of the Act and the Indenture and do not constitute an indebtedness of the State or the County, but are payable solely from the proceeds of the 2000 Bonds deposited into certain funds and accounts established pursuant to the Indenture (the "2000 Pledged Funds") and the 2000 Assessment Revenues, and the District is not obligated to pay the 2000B Bonds except from 2000 Assessment Revenues and 2000 Pledged Funds. The issuance of the 2000 Bonds shall not directly, indirectly or contingently obligate the District to levy or pledge any other funds whatever therefor or to make any appropriation for its payment except from such funds. The 2000 Bonds are not obligations or indebtedness of the State or any agency, authority, district or political subdivision of the State, including the County, other than the District.

No Parity Bonds

The District covenants and agrees that so long as there are any 2000 Bonds Outstanding, it shall not cause or permit to be caused any lien, charge or claim against the 2000 Trust Estate; provided, however, that the District reserves the right to issue bonds, notes or other obligations payable from or secured by the 2000 Trust Estate pledged to the 2000 Bonds, but only so long as such bonds, notes or other obligations are not entitled to a lien upon or charge against the 2000 Trust Estate equal or prior to the lien of this Supplemental Indenture securing the 2000 Bonds. Each bond, note or other obligation issued pursuant to the authority of the preceding sentence shall conspicuously state on the face thereof that such obligation is, and such obligation shall be, subordinate and inferior in right of lien and payment to the lien of the Master Indenture and the Sixth Supplemental Indenture on such 2000 Trust Estate and the rights and remedies of the holders of such subordinate debt to payment and upon default thereon and under any instrument securing

such subordinate debt shall not be subject to action for collection or acceleration thereof except upon the exercise of and subject to the first and prior rights of the Trustee and Owners of the 2000 Bonds to payment and the control of remedies and acceleration granted hereunder and under the Indenture.

Redemption Provisions

Redemption Generally. The 2000 Bonds shall be subject to redemption, either in whole on any date or in part on any Interest Payment Date, and at such times, in the manner and at such prices, as provided in the following paragraphs.

If less than all of the 2000 Bonds shall be called for redemption, the particular 2000 Bonds to be redeemed shall be selected by lot in such reasonable manner as the Paying Agent in its discretion may determine. The portion of any 2000 Bonds to be redeemed shall be in units of an Authorized Denomination and, in selecting the 2000 Bonds to be redeemed, the Bond Registrar shall treat each such Bond as representing that number of 2000 Bonds which is obtained by dividing the principal amount of such Bond by the Authorized Denomination.

If it is determined that one or more, but not all, of the units of Authorized Denomination represented by any such 2000 Bond is to be called for redemption, then upon notice of intention to redeem such unit or units of Authorized Denomination as provided below, the registered Owner of such 2000 Bond, upon surrender of such 2000 Bond to the Paying Agent for payment to such registered Owner of the Redemption Price of the unit or units of Authorized Denomination called for redemption, shall be entitled to receive a new 2000 Bond or 2000 Bonds in the aggregate principal amount of the unredeemed balance of the principal amount of such 2000 Bond. New 2000 Bonds representing the unredeemed balance of the principal amount shall be issued to the Owner thereof without any charge therefor. If the Owner of any 2000 Bond of a denomination greater than the units of Authorized Denomination to be redeemed shall fail to present such Bond to the Paying Agent for payment in exchange as aforesaid, such 2000 Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the unit or units of Authorized Denomination called for redemption.

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2000A Bonds

Optional Redemption. The 2000A Bonds may, at the option of the District be called for redemption as a whole, at any time, or in part on any Interest Payment Date, on or after May 1, 2007 (less than all 2000A Bonds to be selected by lot), at the Redemption Prices (expressed as percentages of principal amount) set forth in the following table plus accrued interest from the most recent Interest Payment Date to the redemption date:

<u>Redemption Periods</u> <u>(Dates Inclusive)</u>	<u>Redemption</u> <u>Prices</u>
May 1, 2010 through April 30, 2011	101 %
May 1, 2011 and thereafter	100

Mandatory Redemption. The 2000A Bonds are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the 2000A Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments (as defined in the Master Indenture) at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<u>Year</u> <u>(May 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Year</u> <u>(May 1)</u>	<u>Principal</u> <u>Amount</u>
2003	\$30,000	2018	\$100,000
2004	30,000	2019	110,000
2005	35,000	2020	120,000
2006	40,000	2021	130,000
2007	40,000	2022	140,000
2008	45,000	2023	155,000
2009	50,000	2024	165,000
2010	55,000	2025	180,000
2011	55,000	2026	195,000
2012	60,000	2027	215,000
2013	70,000	2028	230,000
2014	75,000	2029	250,000
2015	80,000	2030	275,000
2016	85,000	2031*	295,000
2017	95,000		

*Final Maturity

As more particularly set forth in the Indenture, any 2000A 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 2000A Bonds. Amortization Installments are also subject to recalculation, as provided in the Supplemental Indenture, as the result of the redemption of 2000A Bonds so as to reamortize the remaining Outstanding principal balance of the 2000A Bonds in substantially level installments of principal and interest over the remaining term thereof.

Extraordinary Mandatory Redemption. The 2000A Bonds are subject to Extraordinary Mandatory Redemption prior to maturity, in whole on any date or in part on any Interest Payment Date, in the manner determined by the Bond Registrar at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption, if and to the extent that any one or more of the following shall have occurred:

- (i) on or after the Date of Completion of the 2000 Project (as such terms are defined in the Indenture), by application of moneys transferred from the 2000 Acquisition and Construction Account in the Acquisition and Construction Fund established under the Indenture to the 2000A Prepayment Subaccount of the 2000 Redemption Account in accordance with the terms of the Indenture; or
- (ii) from Prepayments (as defined in the Indenture) deposited into the 2000A Prepayment Subaccount of the 2000 Redemption Account; or
- (iii) from excess amounts transferred from the 2000A Reserve Account to the 2000A Prepayment Subaccount in accordance with the terms of the Indenture.

If less than all of the 2000A Bonds shall be called for redemption, the particular 2000A Bonds or portions of 2000A Bonds to be redeemed shall be selected by lot by the Registrar as provided in the Indenture.

2000B Bonds

The 2000B Bonds are not subject to optional redemption or mandatory redemption.

Extraordinary Mandatory Redemption. The 2000B Bonds are subject to Extraordinary Mandatory Redemption prior to maturity, in whole on any date or in part on any Interest Payment Date, in the manner determined by the Bond Registrar at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption, if and to the extent that any one or more of the following shall have occurred:

- (i) on or after the Date of Completion of the 2000 Project (as such terms are defined in the Indenture), by application of moneys transferred from the 2000 Acquisition and Construction Account in the Acquisition and Construction Fund established under the

Indenture to the 2000B Prepayment Subaccount of the 2000 Redemption Account in accordance with the terms of the Indenture; or

(ii) from Prepayments (as defined in the Indenture) deposited into the 2000B Prepayment Subaccount of the 2000 Redemption Account; or

(iii) from excess amounts transferred from the 2000B Reserve Account to the 2000B Prepayment Subaccount in accordance with the terms of the Indenture.

Priority of Redemption

Excess moneys on deposit in the 2000 Acquisition and Construction Account which are to be deposited into a 2000 Prepayment Subaccount in the 2000 Redemption Account shall first be deposited into the 2000B Prepayment Subaccount and used for the extraordinary mandatory redemption of the 2000B Bonds until such time as all of the Outstanding 2000B Bonds have been paid, or payment thereof provided for, and, thereafter, shall be deposited into the 2000A Prepayment Subaccount and used for the extraordinary mandatory redemption of the 2000A Bonds.

Amortization Installments; Order of Redemption

Upon any redemption of 2000A Bonds (other than 2000A Bonds redeemed in accordance with scheduled Amortization Installments and other than 2000A Bonds redeemed at the direction of the District accompanied by a cash flow certificate as required by Section 506(b) of the Master Indenture), the District shall cause to be recalculated and delivered to the Trustee revised Amortization Installments recalculated so as to amortize the Outstanding principal amount of the 2000A Bonds so redeemed in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of such 2000A Bonds.

Notice of Redemption

The District shall establish each redemption date and shall notify the Bond Registrar in writing of such redemption date on or before the forty-fifth (45th) day next preceding such redemption date, which notice shall set forth the terms of the redemption and the aggregate principal amount of 2000 Bonds to be redeemed. Except as otherwise provided in the Indenture, notice of redemption shall be given 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 2000 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 2000 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 2000

Bonds or such portions thereof on such date, interest on such 2000 Bonds or such portions thereof so called for redemption shall cease to accrue, such 2000 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 2000 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.

Reference is hereby specifically made to "APPENDIX A - FORM OF MASTER TRUST INDENTURE" herein for additional details concerning the redemption of 2000 Bonds.

Book-Entry Only System

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC and the District does not make any representation or warranty or take any responsibility for the accuracy or completeness of such information.

DTC will act as securities depository for the 2000 Bonds. The 2000 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered 2000 Bond certificate will be issued for each maturity of the 2000 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity exceeds \$400 million, one certificate will be issued with respect to each \$400 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such maturity.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants (the "Direct Participants") deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant,

either directly or indirectly (the "Indirect Participants"). The rules applicable to DTC and its Direct and Indirect Participants are on file with the Securities and Exchange Commission.

Purchases of interests in 2000 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2000 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2000 Bond (the "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2000 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2000 Bonds, except in the event that use of the book-entry system for the 2000 Bonds is discontinued.

To facilitate subsequent transfers, all 2000 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co or such other name as may be requested by an authorized representative of DTC. The deposit of 2000 Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2000 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2000 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2000 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the 2000 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. Beneficial Owners of 2000 Bonds may wish to ascertain that the nominee holding the 2000 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners, or in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2000 Bonds within a series or maturity of a series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such series or maturity to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the 2000 Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the

District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2000 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions and dividend payments on the 2000 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent on a payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividends to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the 2000 Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, 2000 Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, 2000 Bond certificates will be printed and delivered.

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ESTIMATED SOURCES AND USES OF PROCEEDS

SOURCES

Par Amount of 2000A Bonds	\$ 3,405,000.00
Par Amount of 2000B Bonds	26,595,000.00
Original Issue Discount on 2000B Bonds	(447,061.95)
Liquidation of Prior Debt Service Reserve Fund	1,238,129.20
Liquidation of Prior Prepayment Account	2,783,722.07
Liquidation of Prior Interest Account	<u>50,953.26</u>
TOTAL SOURCES:	<u>\$33,625,742.58</u>

USES

Tender of Prior Bonds @ 100% (Including Interest)	\$15,809,512.50
2000 Costs of Issuance Account	184,184.44
Underwriter's Discount	450,000.00
2000 Interest Account ⁽¹⁾	2,278,320.64
2000A Reserve Account	311,725.00
2000B Reserve Account	2,659,500.00
Acquisition and Construction Fund	<u>11,932,500.00</u>
TOTAL USES:	<u>\$33,625,742.58</u>

⁽¹⁾ Includes capitalized interest of \$487,838.01 on the 2000A Bonds through May 1, 2002 and capitalized interest of \$1,790,482.63 which represents a portion of the interest coming due on the 2000B Bonds through May 1, 2002.

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DEBT SERVICE REQUIREMENTS FOR 2000A BONDS

<u>Year</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Total</u>
November 1, 2000			\$140,456.25	\$140,456.25
May 1, 2001			140,456.25	140,456.25
November 1, 2001			140,456.25	140,456.25
May 1, 2002			140,456.25	140,456.25
November 1, 2002			140,456.25	140,456.25
May 1, 2003	\$30,000.00	8.25%	140,456.25	170,456.25
November 1, 2003			139,218.75	139,218.75
May 1, 2004	30,000.00	8.25	139,218.75	169,218.75
November 1, 2004			137,981.25	137,981.25
May 1, 2005	35,000.00	8.25	137,981.25	172,981.25
November 1, 2005			136,537.50	136,537.50
May 1, 2006	40,000.00	8.25	136,537.50	176,537.50
November 1, 2006			134,887.50	134,887.50
May 1, 2007	40,000.00	8.25	134,887.50	174,887.50
November 1, 2007			133,237.50	133,237.50
May 1, 2008	45,000.00	8.25	133,237.50	178,237.50
November 1, 2008			131,381.25	131,381.25
May 1, 2009	50,000.00	8.25	131,381.25	181,381.25
November 1, 2009			129,318.75	129,318.75
May 1, 2010	55,000.00	8.25	129,318.75	184,318.75
November 1, 2010			127,050.00	127,050.00
May 1, 2011	55,000.00	8.25	127,050.00	182,050.00
November 1, 2011			124,781.25	124,781.25
May 1, 2012	60,000.00	8.25	124,781.25	184,781.25
November 1, 2012			122,306.25	122,306.25
May 1, 2013	70,000.00	8.25	122,306.25	192,306.25
November 1, 2013			119,418.75	119,418.75
May 1, 2014	75,000.00	8.25	119,418.75	194,418.75
November 1, 2014			116,325.00	116,325.00
May 1, 2015	80,000.00	8.25	116,325.00	196,325.00
November 1, 2015			113,025.00	113,025.00
May 1, 2016	85,000.00	8.25	113,025.00	198,025.00
November 1, 2016			109,518.75	109,518.75
May 1, 2017	95,000.00	8.25	109,518.75	204,518.75
November 1, 2017			105,600.00	105,600.00
May 1, 2018	100,000.00	8.25	105,600.00	205,600.00
November 1, 2018			101,475.00	101,475.00
May 1, 2019	110,000.00	8.25	101,475.00	211,475.00
November 1, 2019			96,937.50	96,937.50
May 1, 2020	120,000.00	8.25	96,937.50	216,937.50
November 1, 2020			91,987.50	91,987.50
May 1, 2021	130,000.00	8.25	91,987.50	221,987.50
November 1, 2021			86,625.00	86,625.00
May 1, 2022	140,000.00	8.25	86,625.00	226,625.00
November 1, 2022			80,850.00	80,850.00
May 1, 2023	155,000.00	8.25	80,850.00	235,850.00
November 1, 2023			74,456.25	74,456.25
May 1, 2024	165,000.00	8.25	74,456.25	239,456.25
November 1, 2024			67,650.00	67,650.00
May 1, 2025	180,000.00	8.25	67,650.00	247,650.00
November 1, 2025			60,225.00	60,225.00
May 1, 2026	195,000.00	8.25	60,225.00	255,225.00
November 1, 2026			52,181.25	52,181.25
May 1, 2027	215,000.00	8.25	52,181.25	267,181.25
November 1, 2027			43,312.50	43,312.50
May 1, 2028	230,000.00	8.25	43,312.50	273,312.50
November 1, 2028			33,825.00	33,825.00
May 1, 2029	250,000.00	8.25	33,825.00	283,825.00
November 1, 2029			23,512.50	23,512.50
May 1, 2030	275,000.00	8.25	23,512.50	298,512.50
November 1, 2030			12,168.75	12,168.75
May 1, 2031	295,000.00	8.25	12,168.75	307,168.75

*Final Maturity

DEBT SERVICE REQUIREMENTS FOR 2000B BONDS

<u>Year</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Total</u>
November 1, 2000			\$1,063,800.00	\$1,063,800.00
May 1, 2001			1,063,800.00	1,063,800.00
November 1, 2001			1,063,800.00	1,063,800.00
May 1, 2002			1,063,800.00	1,063,800.00
November 1, 2002			1,063,800.00	1,063,800.00
May 1, 2003			1,063,800.00	1,063,800.00
November 1, 2003			1,063,800.00	1,063,800.00
May 1, 2004			1,063,800.00	1,063,800.00
November 1, 2004			1,063,800.00	1,063,800.00
May 1, 2005			1,063,800.00	1,063,800.00
November 1, 2005			1,063,800.00	1,063,800.00
May 1, 2006			1,063,800.00	1,063,800.00
November 1, 2006			1,063,800.00	1,063,800.00
May 1, 2007			1,063,800.00	1,063,800.00
November 1, 2007			1,063,800.00	1,063,800.00
May 1, 2008			1,063,800.00	1,063,800.00
November 1, 2008			1,063,800.00	1,063,800.00
May 1, 2009			1,063,800.00	1,063,800.00
November 1, 2009			1,063,800.00	1,063,800.00
May 1, 2010*	\$26,595,000.00	8.00%	1,063,800.00	27,658,800.00

*Final Maturity

SECURITY FOR AND SOURCE OF PAYMENT OF THE 2000 BONDS

2000 Assessment Revenues

The primary source of payment for the 2000 Bonds is the 2000 Assessments imposed, pursuant to the Assessment Proceedings, on each parcel of land within the District that are specially benefitted by the 2000 Project. The principal of, premium, if any, and interest on the 2000 Bonds are equally and ratably secured under the Indenture by a first lien upon and pledge of 2000 Assessments collected by or on behalf of the District from landowners or otherwise collected as a result of 2000 Assessments, including amounts received from the collection of Delinquent Assessments (the "2000 Assessments Revenues" or the "2000 Pledged Revenues").

The 2000 Assessments consist of the net proceeds derived from the levy and collection of non-ad valorem "special assessments," as provided for in Sections 190.011(14) and 190.022 of the Act, against the lands located within the District that are specially benefitted and subject to assessments as a result of the 2000 Project and the assessable improvements funded with the 1990 Bonds (the "1990 Project") or any portion thereof, including interest and penalties on such assessments, pursuant to all applicable provisions of the Act and Chapters 170, 173 and 197, Florida Statutes (and any successor statute(s) thereto). 2000 Assessments also consist of amounts received from any foreclosure proceeding for the enforcement of collection of the 2000 Assessments or from the issuance and sale of tax certificates with respect to such 2000 Assessments, less the fees and costs of collection thereof payable to the Tax Collector or other collection agent and less certain administrative costs payable to the Property Appraiser pursuant to the Property Appraiser and Tax Collector Agreement (the "Collection Agreement").

Delinquent Assessments consist of any installment of any 2000 Assessment which is not paid within thirty (30) days after the date on which such installment is due and payable. The 2000 Assessments will be levied upon land within the District specially benefitted by certain infrastructure improvements to be acquired, constructed, equipped or refinanced by the District with the proceeds of the 2000 Bonds. See "THE 2000 PROJECT" herein for a brief summary of such improvements.

Pledge and Lien of 2000 Assessment Revenues

The lien and pledge of the 2000 Assessment Revenues shall be valid and binding from and after the date of delivery of the 2000 Bonds, and the proceeds of the 2000 Bonds and 2000 Assessment Revenues shall immediately be subject to the lien of the pledge without any physical delivery thereof or further act, and the lien of the pledge shall be valid and binding as against all parties having claims of any kind or tort, contract or otherwise against the District irrespective of whether such parties have notice thereof.

The statutes relating to enforcement of county taxes (and certain non-ad valorem special assessments such as the 2000 Assessments) provide that county taxes (and the 2000 Assessments)

first become payable on November 1 of the year in which they are levied and constitute a lien upon the assessed land from January 1 of such year until paid or barred by operation of law. The 2000 Assessments will be levied from the date of adoption by the Board of Supervisors of the District of the final assessment roll. The lien of the 2000 Assessments is of equal dignity with the liens for state and county taxes upon land, and thus is a first lien, superior to all other liens, including mortgages (except for state and county taxes and other taxes which are of equal dignity). Non-ad valorem special assessments such as the 2000 Assessments are not based on millage and can become a lien against the homestead as permitted in Section 4, Article X of the Florida State Constitution.

The District shall covenant that if any court having jurisdiction shall determine that all or any portion of the 2000 Assessments are illegal, invalid, or otherwise unenforceable, for any reason, and such determination shall not be appealed (or, if appealed, shall be affirmed on appeal), the District shall take all steps legally available to it in order to cause the 2000 Assessments to be legal, valid and enforceable or, if that shall be impossible, then the District shall take such steps as are available to it in order to levy new special assessments or benefit assessments in amounts sufficient to pay Debt Service when due and such new special assessments or benefit assessments shall be subject to the pledge and lien created by the Indenture, and shall be subject to all of the provisions of the Indenture, to the same extent of the 2000 Assessments.

Collection of 2000 Assessments

The District intends to collect the 2000A Assessments through the Uniform Method of Collection described herein below and to collect the 2000B Assessments from the landowners within the District, or through its agent. Anything in the Indenture to the contrary notwithstanding, the District may elect not to use the Uniform Method of Collection in the case of the 2000A Assessments, until such property is platted and, in the case of the 2000B Assessments, until such 2000B Assessments are paid. The District covenants and agrees that, notwithstanding the foregoing, it will collect Delinquent Assessments using the Uniform Method of Collection if requested in writing by the Owners of more than fifty percent (50%) of the Outstanding 2000 Bonds.

Enforcement of Payment of 2000 Assessments

To the extent that landowners fail to pay such 2000 Assessments, delay payments, or are unable to pay the same, the successful pursuance of collection procedures available to the District is essential to continued payment of principal of and interest on the 2000 Bonds. The Act provides for various methods of collection of Delinquent Assessments by reference to other provisions of the Florida Statutes. The following is a description of certain statutory provisions of assessment payment and collection procedures appearing in the Florida Statutes, but is qualified in its entirety by reference to such statutes.

Sale of Tax Certificates and Tax Deeds. The District will covenant that if the owner of any lot or parcel of land shall be delinquent in the payment of any 2000 Assessment, then such Delinquent Assessments shall be collected pursuant to the provisions of Chapters 170 and 197, Florida Statutes, including but not limited to the sale of tax certificates and tax deeds as regards such Delinquent Assessment and the remittance of the proceeds of such sale to the District for the payment of the 2000 Assessment due (as referred to herein as "the Uniform Method of Collection"). The demand for such certificates is in turn dependent upon various factors, which include the interest that can be earned by ownership of such certificates and the value of the land that is the subject of such certificates and which may be subject to sale at the demand of the certificate holder. Therefore, the underlying value of the land within the District may affect the demand for such certificates and the successful collection of the 2000 Assessments. See "BONDHOLDERS RISKS" herein.

In the event of a delinquency in the payment of any taxes and assessments on real property, the Tax Collector is required to attempt to sell tax certificates on such property to the person who pays the delinquent taxes and interest and certain costs and charges relating thereto, and accepts the lowest interest rate per annum to be borne by the certificates (not to exceed 18%). A taxpayer may avoid having a tax certificate against their property sold by paying, prior to the date that the tax certificate is sold, the delinquent taxes or assessments, together with interest and all costs and charges relating thereto. Generally, tax certificates are sold by public bid. If there are no bidders at the public sale of tax certificates, the certificate is issued to the county in which the assessed lands are located, at the maximum rate of interest allowed (currently, 18%). The Tax Collector does not collect any money if tax certificates are issued to the county in which the assessed lands are located. Proceeds from the sale of tax certificates are required to be used to pay taxes (including 2000 Assessments), interest, costs and charges on the real property described in the certificate.

County held certificates may be purchased and any tax certificate may be redeemed, in whole or in part, by any person at any time before a tax deed is issued or the property is placed on the list of lands available for sale, at a price equal to the face amount of the certificate or portion thereof together with all interest, costs, charges and omitted taxes due. The proceeds of such a redemption are paid to the Tax Collector who transmits to the holder of the certificate such proceeds less service charges, and the certificate is canceled. Any holder, other than the County, of a tax certificate that has not been redeemed has seven years from the date of issuance of the tax certificate during which to act against the land that is the subject of the tax certificate.

After an initial period ending two years from April 1 of the year of issuance of a certificate, during which period actions against the land are held in abeyance to allow for sales and redemptions of tax certificates and before the expiration of seven years from the date of issuance, the holder of a certificate may apply for a tax deed to the subject land. The applicant is required to pay to the Tax Collector at the time of application all amounts required to redeem or purchase all other outstanding tax certificates covering the land, plus interest, any omitted taxes or delinquent taxes and interest, and current taxes, if due. If the county holds a tax certificate on

property valued at \$5,000 or more and has not succeeded in selling it, the county must apply for a tax deed two years after April 1 of the year of issuance. The county pays costs and fees to the Tax Collector but not any amount to redeem any other outstanding certificates covering the land. Thereafter, the county advertises the property for public sale.

In any such public sale, the private holder of the tax certificate who is applying for a tax deed for non-homestead property is deemed to submit a minimum bid equal to the amount required to redeem the tax certificate, charges for the cost of sale, redemption of other tax certificates on the land, and the amount paid by such holder in applying for the tax deed, plus interest thereon. Holders of a tax certificate who are applying for a tax deed for homestead property are deemed to submit a minimum bid equal to the holders of a tax certificate for non-homestead property plus an amount equal to one-half of the latest assessed value of the homestead. If there are no higher bids, the holder receives title to the land and the amounts paid for the certificate and in applying for a tax deed are credited towards the purchase price. If there are other bids, the holder may enter the bidding. The highest bidder is awarded title to the land. The portion of proceeds of such sale needed to redeem the tax certificate, and all other amounts paid by such person in applying for a tax deed, are forwarded to the holder thereof or credited to such holder if such holder is the successful bidder. Excess proceeds are distributed first to satisfy governmental liens against the land and then to the former title holder of the property (less service charges), lienholders of record, mortgagees of record, vendees of recorded contracts for deeds, and other lienholders and any other person to whom the land was last assessed on the tax roll for the year in which the land was assessed, all as their interests may appear.

Except for certain governmental liens and certain restrictive covenants and restrictions, no right, interest, restriction or other covenant survives the issuance of a tax deed. Thus, for example, outstanding mortgages on property subject to a tax deed would be extinguished. If there are no bidders at the public sale, the county may, at any time within ninety days from the date of offering for public sale, purchase the land without further notice or advertising for a statutorily prescribed opening bid. After ninety days have passed, any person or governmental unit may purchase the land by paying the amount of the opening bid. Seven years from the date of offering for public sale, unsold lands escheat to the county in which they are located and all tax certificates and liens against the property are canceled and a deed is executed vesting title in the county commissioners.

If any property shall be offered for sale for the nonpayment of any 2000 Assessment which is pledged to the 2000 Bonds and no person or persons shall purchase such property for an amount equal to the full amount due on the 2000 Assessment (principal, interest, penalties and costs, plus attorneys' fees, if any), the property shall then be purchased by the District for an amount equal to the balance due on the 2000 Assessment (principal, interest, penalties and costs, plus attorneys' fees, if any), together with any ad valorem taxes and other amounts owed by the owner of such property to the Tax Collector and that constitute a lien against such property, but only from any legally available funds of the District, and the District shall receive in its corporate name title to the property for the benefit of the Owners of the 2000 Bonds to which such 2000 Assessments

were pledged. It should be noted that it is unlikely that the District will ever have sufficient funds to complete such a purchase.

Judicial Proceedings. In addition to the sale of tax certificates as a method of enforcing the payment of 2000 Assessments, Chapter 170.10, Florida Statutes, provides that upon the failure of any property owner to pay the principal of the 2000 Assessment or the interest thereon, when due, the governing body of the District is authorized to commence legal proceedings for the enforcement of the payment thereof, including commencement of an action in chancery, commencement of a foreclosure proceeding in the same manner as the foreclosure of a real estate mortgage, or commencement of an action under Chapter 173, Florida Statutes, relating to foreclosure of municipal tax and special assessment liens. Any foreclosure proceedings to enforce payment of the 2000 Assessments will in all likelihood proceed under the provisions of Chapter 173, Florida Statutes, which provides that after the expiration of one year from the date any special assessment or installment thereof becomes due, the District may commence a foreclosure proceeding against the lands upon which the assessments are liens. Such a proceeding is in rem, meaning that it is brought against the land and not against the owner in the Circuit Court where the land is located.

In general, after the District commences the suit, there is a period of notice to, and an opportunity for response by, affected persons. Ultimately a hearing will be held and, if the court decides in favor of the District, a judgment will be rendered in the amount of the Delinquent Assessments and costs of the proceeding. The judgment would also direct sale of the land subject to the Delinquent Assessments by public bid to the highest bidder, with proceeds of the sale being applied to payment of the Delinquent Assessments. If no bidder bids at least the amount of the Delinquent Assessments and applicable costs, the District may obtain title to the land.

Enforcement of the obligation to pay 2000 Assessments and the ability of the Tax Collector to sell tax certificates and ultimately tax deeds, or the ability to foreclose the lien created by the failure to pay 2000 Assessments, may not be readily available or may be limited as such enforcement is dependent upon judicial actions that are often subject to discretion and delay.

For a description of the 2000 Assessments and the methodology for their levy, please refer to "APPENDIX D - ASSESSMENT METHODOLOGY REPORT" herein.

Developer Prepayment Waiver

Pursuant to the terms of the Act and the Assessment Proceedings, the owner of property subject to 2000 Assessments may pay the entire balance of the 2000 Assessments used to finance the 2000 Project remaining due within thirty (30) days after the 2000 Project has been completed and the Board has adopted a resolution accepting the 2000 Project as provided by Florida Statutes, Section 170.09, without interest. The Developer will at the time of delivery of the 2000 Bonds waive this right in writing.

FUNDS AND ACCOUNTS

Pursuant to the Supplemental Indenture are the following funds and accounts held by the Trustee:

Acquisition and Construction Fund

Within the Acquisition and Construction Fund held by the Trustee the following accounts have been created:

2000 Acquisition and Construction Account. Amounts on deposit in the 2000 Acquisition and Construction Account shall be applied to pay the Costs of the 2000 Project upon compliance with the requisition provisions set forth in the Master Indenture. Any balance remaining after the Date of Completion and after retaining the amount, if any, of all remaining unpaid Costs of the 2000 Project set forth in the Engineers' Certificate establishing such Date of Completion, shall be transferred to and deposited in the 2000 Redemption Account and applied to the Extraordinary Mandatory Redemption of the 2000 Bonds in the order of priority set forth in the Supplemental Indenture. See "DESCRIPTION OF THE 2000 BONDS - 2000A Bonds - *Extraordinary Mandatory Redemption* - 2000B Bonds - *Extraordinary Mandatory Redemption*" contained herein.

Anything in the Indenture to the contrary notwithstanding, until the 2000 Project is completed as evidenced by a certificate of the District to such effect delivered to the Trustee: (i) the Trustee shall not close the 2000 Acquisition and Construction Account; and (ii) the Trustee shall deposit into the 2000 Acquisition and Construction Account the amounts transferred which amounts shall be held separate and apart from other amounts on deposit in the 2000 Acquisition and Construction Account and shall be used solely to pay Costs related to the 2000 Project.

Costs of Issuance Account. The amount on deposit in the 2000 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 2000 Bonds. At the written direction of an Authorized Officer, any amounts deposited in the 2000 Costs of Issuance Account which are not needed to pay such costs shall be transferred over and deposited into the 2000 Acquisition and Construction Account and used for the purposes permitted therefor.

Debt Service Fund

Within the Debt Service Fund held by the Trustee is the (i) 2000 Debt Service Account and therein a 2000A Sinking Fund Account, a 2000B Sinking Fund Account and a 2000 Interest Account; and (ii) a 2000 Redemption Account, and, therein a 2000A Prepayment Subaccount, a 2000B Prepayment Subaccount and an Optional Redemption Subaccount.

Reserve Fund

Within the Reserve Fund held by the Trustee a 2000A Reserve Account and a 2000B Reserve Account, which shall be jointly held for the benefit of all of the 2000 Bonds, without distinction as to Series of 2000 Bonds and without privilege or priority of one Series of 2000 Bonds over another.

Amounts on deposit in the 2000A Reserve Account and 2000B Reserve Account shall be used only for the purpose of making payments into the 2000 Interest Account, the 2000A Sinking Fund Account and the 2000B Sinking Fund Account to pay the 2000 Bonds, as applicable, without distinction as to 2000 Bonds and without privilege or priority of one 2000 Bond over another, when due when the moneys on deposit in such Accounts therein and available therefor are insufficient and for no other purpose. Such Accounts shall consist only of cash and 2000 Investment Obligations.

Anything in the Indenture to the contrary notwithstanding, simultaneously with deposit by the Trustee of 2000B Prepayment Principal into the 2000B Prepayment Subaccount, the Trustee is authorized and directed to recalculate the 2000B Reserve Account Requirement and to transfer any resulting excess on deposit in the 2000B Reserve Account into the 2000B Prepayment Subaccount to be used for the extraordinary mandatory redemption of 2000B Bonds. See "DESCRIPTION OF THE 2000 BONDS - 2000B Bonds - *Extraordinary Mandatory Redemption*" contained herein.

Notwithstanding the foregoing, on the earliest date on which there is on deposit in the 2000A Reserve Account, sufficient monies, taking into account other monies available therefor, to pay and redeem all of the Outstanding 2000A Bonds, together with accrued interest and redemption premium, if any, on such 2000A Bonds to the earliest date of redemption permitted, then the Trustee shall transfer the amount on deposit in the 2000A Reserve Account into the 2000A Prepayment Subaccount in the 2000 Redemption Account to pay and redeem all of the Outstanding 2000A Bonds on the earliest date permitted for redemption. On the earliest date on which there is on deposit in the 2000B Reserve Account, sufficient monies, taking into account other monies available therefor, to pay and redeem all of the Outstanding 2000B Bonds, together with accrued interest and redemption premium, if any, on such 2000B Bonds to the earliest date of redemption permitted, then the Trustee shall transfer the amount on deposit in the 2000B Reserve Account into the 2000B Prepayment Subaccount in the 2000 Redemption Account to pay and redeem all of the Outstanding 2000B Bonds on the earliest date permitted for redemption. See "DESCRIPTION OF THE 2000 BONDS - 2000B Bonds" contained herein.

The 2000A Reserve Account Requirement is defined as the lesser of: (i) Maximum Annual Debt Service Requirement for all Outstanding 2000A Bonds, (ii) 125 % of the average annual debt service for all Outstanding 2000A Bonds, or (iii) 10% of the proceeds of the 2000A Bonds calculated as of the date of original issuance thereof. Initially the 2000A Reserve Account Requirement is \$311,725.00.

The 2000B Reserve Account Requirement is defined as (A) on the date of initial issuance of the 2000B Bonds, the lesser of: (i) Maximum Annual Debt Service Requirement for all Outstanding 2000B Bonds, (ii) 125% of the average annual debt service for all Outstanding 2000B Bonds, or (iii) 10% of the proceeds of the 2000B Bonds calculated as of the date of original issuance thereof, and (B) at anytime after the date of initial issuance, shall mean 10% of the Deemed Outstanding principal amount of the 2000B Bonds, from time to time. Initially the 2000B Reserve Account Requirement is \$2,659,500.00.

Revenue Fund

The Trustee is authorized and directed pursuant to the Indenture to establish within the Revenue Fund a 2000 Revenue Account into which the Trustee shall deposit any and all amounts required to be deposited therein by the 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 2000 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.

The District shall deposit 2000 Assessment Revenues with the Trustee immediately upon receipt together with a written accounting setting forth the amounts of such 2000 Assessment Revenues in the following categories which shall be deposited by the Trustee into the Funds and Accounts established hereunder as follows:

(i) 2000A Assessment Principal, which shall be deposited into the 2000A Sinking Fund Account and 2000B Assessment Principal, which shall be deposited into the 2000B Sinking Fund Account;

(ii) 2000A Prepayment Principal, which shall be deposited into the 2000A Prepayment Subaccount in the Redemption Account and 2000B Prepayment Principal, which shall be deposited into the 2000B Prepayment Subaccount in the Redemption Account;

(iii) 2000A Delinquent Assessment Principal, which shall first be applied to restore the amount of any withdrawal from the 2000A Reserve Account to pay the principal of 2000 Bonds, and, the balance, if any, shall be deposited into the 2000A Sinking Fund Account and 2000B Delinquent Assessment Principal, which shall first be applied to restore the amount of any withdrawal from the 2000B Reserve Account to pay the principal of 2000 Bonds, and, the balance, if any, shall be deposited into the 2000B Sinking Fund Account;

(iv) Delinquent Assessment Interest, which shall first be applied to restore the amount of any withdrawal from the 2000A Reserve Account or the 2000B Reserve Account to pay the interest on 2000 Bonds, and, the balance, if any, deposited into the 2000 Revenue Account; and

(v) all other 2000 Assessment Revenues, which shall be deposited into the 2000 Revenue Account.

Moneys other than 2000 Assessment Revenues, shall, at the written direction of the District be deposited into the Optional Redemption Subaccount of the 2000 Redemption Account and used to pay the principal of and premium, if any, on 2000A Bonds called or to be called for optional redemption at the written direction of the District. See "DESCRIPTION OF THE 2000 BONDS - 2000A Bonds - *Optional Redemption*" herein.

On each March 15 and September 15 (or if such March 15 or September 15 is not a Business Day, on the Business Day next preceding such day), the Trustee shall determine the amount on deposit in the 2000A Prepayment Subaccount or the 2000B Prepayment Subaccount of the 2000 Redemption Account, respectively, and, if the balance therein is greater than zero, shall transfer from the 2000 Revenue Account for deposit into such Prepayment Subaccount, an amount sufficient to increase the amount on deposit therein to an integral multiple of \$5,000, and, shall thereupon give notice and cause the extraordinary mandatory redemption of the 2000 Bonds on the next succeeding Interest Payment Date in the maximum aggregate principal amount for which moneys are then on deposit in such Prepayment Subaccount in accordance with the provisions for extraordinary redemption of such 2000 Bonds. See "DESCRIPTION OF THE 2000 BONDS - 2000A Bonds - *Extraordinary Mandatory Redemption* - 2000B Bonds - *Extraordinary Mandatory Redemption*" herein.

On each May 1 or November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such May 1), the Trustee shall transfer from amounts on deposit in the 2000 Revenue Account to the Funds and Accounts designated below, the following amounts in the following order of priority:

FIRST, to the 2000 Interest Account of the Debt Service Fund, an amount equal to the amount of interest payable on all 2000 Bonds then Outstanding on such May 1 or November 1, less any amount already on deposit in the 2000 Interest Account not previously credited;

SECOND, on each May 1, to the 2000A Sinking Fund Account, the amount, if any, equal to the difference between the Amortization Installments of all 2000A Bonds subject to mandatory sinking fund redemption on such May 1, and the amount already on deposit in the 2000A Sinking Fund Account not previously credited and to the 2000B Sinking Fund Account, the amount, if any, equal to the difference between the Amortization Installments of all 2000B Bonds subject to mandatory sinking fund redemption on such May 1, and the amount already on deposit in the 2000B Sinking Fund Account not previously credited;

THIRD, to the 2000A Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the 2000A Reserve Account Requirement with

respect to the 2000A Bonds and to the 2000B Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the 2000B Reserve Account Requirement with respect to the 2000B Bonds; and

FOURTH, the balance shall be retained in the 2000 Revenue Account.

On any date required by the Tax Regulatory Covenants, the District shall give the Trustee written direction, and the Trustee shall, transfer over in from the 2000 Revenue Account to the Rebate Account established for the 2000 Bonds in the Rebate Fund in accordance with the Master Indenture, the amount due and owing to the United States, which amount shall be paid, to the United States, when due, in accordance with such Tax Regulatory Covenants.

On or after each November 2, the Trustee shall, at the written direction of the District transfer to the District the balance on deposit in the 2000 Revenue Account on such November 2 to be used for any lawful District purpose; provided, however, that on the date of such proposed transfer the amount on deposit in the 2000A Reserve Account and the 2000B Reserve Account in the Debt Service Reserve Fund shall be equal to the aggregate Reserve Account Requirements, and, provided further, that the Trustee shall not have actual knowledge of an Event of Default under the Master Indenture or hereunder relating to any of the 2000 Bonds, including the payment of Trustee's fees and expenses the due.

Anything in the Indenture to the contrary notwithstanding, earnings on investments in all of the Funds and Accounts held as security for the 2000 Bonds shall be invested only in 2000 Investment Obligations, and further, earnings on the 2000 Acquisition and Construction Account and the subaccounts therein shall be retained, as realized, in such Accounts or subaccounts and used for the purpose of such Account or subaccount. Earnings on investments in the 2000 Sinking Fund Accounts and the 2000 Redemption Account shall be deposited, as realized, to the credit of the 2000 Revenue Account and used for the purpose of such Account.

Investment Earnings

Earnings on investments in each 2000 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 related Series 2000 Reserve Account as of the most recent date on which amounts on deposit in such Reserve Account were valued by the Trustee, and if no withdrawals have been made from such Reserve Account since such date which have created a deficiency, then earnings on investments in such Reserve Account shall be deposited, as provided in (iii) below;

(ii) if as of the last date on which amounts on deposit in a 2000 Reserve Account were valued by the Trustee there was a deficiency (as defined in Section 509 of the Master Indenture) in such Reserve Account, or if after such date withdrawals have been

made from a 2000 Reserve Account and have created such a deficiency, then earnings on investments in both of the 2000 Reserve Accounts shall be deposited to the credit of the Reserve Account as to which there is a deficiency until the amount on deposit therein equals the corresponding Reserve Account Requirement and thereafter shall be deposited as provided in (iii) below; and

(iii) except as provided in (i) and (ii) above earnings on the 2000 Reserve Accounts shall be allocated to and deposited into the 2000 Revenue Account.

Rebate Fund

Within the Rebate Fund held by the Trustee is the 2000 Rebate Account. The District shall comply with the Tax Regulatory Covenants (including deposits to and payments from the 2000 Rebate Account) included as part of the closing transcript for the 2000 Bonds, as amended and supplemented from time to time in accordance with their terms.

BONDHOLDERS' RISKS

Certain risks are inherent in an investment in obligations secured by 2000 Assessments issued by a public authority or governmental body in the State. Certain of these risks are described in the preceding section entitled "SECURITY FOR AND SOURCE OF PAYMENT OF THE 2000 BONDS - 2000 Assessment Revenues;" however, certain additional risks are associated with the 2000 Bonds offered hereby. This section does not purport to summarize all risks that may be associated with purchasing or owning the 2000 Bonds and prospective purchasers are advised to read this Limited Offering Memorandum in its entirety for a more complete description of investment considerations relating to the 2000 Bonds.

1. Until further development takes place on the benefitted land within the District, payment of a significant portion of the 2000 Assessments is dependent upon their timely payment by Parkway Center, Inc., a Texas corporation qualified to do business in Florida as Parkway Center Development, Inc., the owner and developer of a significant portion of the property within the District (the "Developer"). In the event of the institution of bankruptcy or similar proceedings with respect to the Developer or any other subsequent significant owner of property within the District, delays could occur in the payment of Debt Service on the 2000 Bonds as such bankruptcy could negatively impact the ability of: (i) the Developer and any other land owner being able to pay the 2000 Assessments; (ii) the County to sell tax certificates in relation to such property; and (iii) the District to foreclose the lien on the 2000 Assessments if the tax certificates are not sold. In addition, the remedies available to the Owners of the 2000 Bonds upon an Event of Default under the Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, the remedies specified by federal, state and local law and in the Indenture and the 2000 Bonds, including, without limitation, enforcement of the obligation to pay the 2000 Assessments may not

be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the 2000 Bonds (including Bond Counsel's approving opinion) will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery. The inability, either partially or fully, to enforce remedies available respecting the 2000 Bonds could have a material adverse impact on the interest of the Owners thereof. **The Developer has filed for Bankruptcy protection twice in the past, leading to both covenant and payment defaults under the 1990 Bonds and the documents governing those instruments. Under federal bankruptcy law there is no limitation on the number of times a debtor may file for bankruptcy protection. See "1990 BONDS; DEFAULTS" herein.**

2. The principal security for the payment of the principal of, premium, if any, and interest on the 2000 Bonds is the timely collection of the 2000 Assessments. The 2000 Assessments do not constitute a personal indebtedness of the owners of the land subject thereto, but are secured only by a lien on such land. The Developer expects to proceed in its normal course of business to develop and sell to purchasers land within the District, which land is served by the 2000 Project. There is no assurance that the subsequent owners of this land will be able to pay the 2000 Assessments or that they will pay such 2000 Assessments even though financially able to do so. Beyond legal delays that could result from bankruptcy, the ability of the County to sell tax certificates will be dependent upon various factors, including the interest rate which can be earned by ownership of such certificates and the value of the land which is the subject of such certificates and which may be subject to sale at the demand of the certificate holder after two years. The determination of the benefits to be received by the land within the District as a result of implementation and development of the 2000 Project is not indicative of the realizable or market value of the land, which value may actually be higher or lower than the assessment of benefits. To the extent that the realizable or market value of the land is lower than the assessment of benefits, the ability of the County to sell tax certificates relating to such land may be adversely affected. Such adverse effect could render the District unable to collect Delinquent Assessments, if any, and could negatively impact the ability of the District to make the full or punctual payment of Debt Service on the 2000 Bonds.

3. The proposed Development may be affected by changes in general economic conditions, fluctuations in the real estate market and other factors beyond the control of the Developer. In addition, the proposed Development is subject to comprehensive federal, state, and local regulations and future changes to such regulations. Approval is required from various public agencies in connection with, among other things, the design, nature and extent of required public improvements, both public and private, and construction of the 2000 Project in accordance with applicable zoning, land use and environmental regulations for the Development. Although no delays are anticipated, failure to obtain any such approvals in a timely manner could delay or adversely affect the Development, which may negatively impact the Developer's desire or ability to develop the Development as contemplated. See "APPENDIX E - ENGINEER'S REPORT" herein for a discussion of permits and approvals.

4. The willingness and/or ability of an owner of land within the District to pay the 2000 Assessments could be affected by the existence of other taxes and assessments imposed upon the land by the District or by the County. County, municipal, school, special district taxes and assessments, and voter-approved ad valorem taxes levied to pay principal of and interest on bonds, including the 2000 Assessments, are payable at one time. As referenced above, if a taxpayer does not make complete payment, he or she cannot designate specific line items on the tax bill as deemed paid in full. In such case, the Tax Collector does not accept such partial payment. Therefore, any failure to pay any one item of taxes or assessments on the tax bill, whether such item is the 2000 Assessments, would cause the 2000 Assessments not to be collected to that extent, and such failure could have a significant adverse impact on the District's ability to make full or punctual payment of Debt Service on the 2000 Bonds. Public entities whose boundaries overlap those of the District, such as the County and the County school district, could, without the consent of the owners of the land within the District, impose additional taxes or assessments on the property within the District. As referenced herein, the District may also impose additional assessments which could encumber the property burdened by the 2000 Assessments.

5. There is no assurance that a liquid secondary market will exist for the 2000 Bonds in the event an Owner thereof determines to solicit purchasers of the 2000 Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the 2000 Bonds may be sold. Such price may be lower than that paid by the current Owner of the 2000 Bonds, depending on the progress of the Development, existing market conditions and other factors.

6. The Engineer has certified that the 2000 Bond proceeds available for the 2000 Project will be sufficient to finance a portion of the 2000 Project as set forth in "APPENDIX E - ENGINEER'S REPORT" if, however, such funds were not sufficient it is unlikely that the District would have other funds to complete such 2000 Project.

7. As referenced in items 1 and 2 above, the Developer does not have any personal liability for the 2000 Bonds. As the owner of a significant portion of the land within the District, most of the obligations in relation to the 2000 Assessments initially rest with the Developer and its wherewithal to pay the same. See "SECURITY AND SOURCE OF PAYMENT FOR 2000 BONDS."

8. As referenced earlier in this Limited Offering Memorandum, Owners should note that several mortgage lenders (including a mortgage lender to this Developer) have, in the past, raised legal challenges to the primacy of the liens of 2000 Assessments in relation to the liens of mortgages burdening the same real property; to the best knowledge of the District (without investigation) in all such cases to date, the applicable courts have held that the 2000 Assessment liens are superior to those of the commercial mortgage lenders.

This Section does not purport to summarize all risks that may be associated with purchasing or owning the 2000 Bonds and prospective purchasers are advised to read this Limited Offering

Memorandum in its entirety (inclusive of Appendices) for a more complete description of investment considerations relating to the 2000 Bonds.

1990 BONDS; DEFAULTS

As referenced herein, the 1990 Bonds went into default on December 11, 1992. These defaults arise out of the following cases:

Case No. 1 - In re: Woolley's Parkway Center, Inc. Debtor, Case No. 91-12510-8P1 in the United States Bankruptcy Court of the Middle District of Florida, Tampa Division.

This case was a voluntary Chapter 11 bankruptcy proceeding instituted by the Developer, the owner of substantially all of the property within the District. This case was instituted by the Developer because it was in default on a first mortgage encumbering the property, which mortgage was held by Mellon Bank ("Mellon"). In addition to the Mellon mortgage, the Developer had a moderate amount of unsecured trade debt to such entities as law firms, engineering firms, and others. Mellon filed a motion to dismiss the Developer's Chapter 11 as a bad faith filing, arguing that the Developer was a single asset debtor whose only substantial asset was its real property in which Mellon had a valid, perfected first security interest. Thus, Mellon claimed that the Developer filed its petition for the sole purpose of frustrating Mellon's legitimate state law creditor rights.

Subsequently, both the Developer and Mellon each proffered competing claims of reorganization for the Developer. The holder of the 1990 Bonds (the "1990 Bondholder"), the holder of all of the 1990 Bonds issued by the District, objected to Mellon's proposed plan because it proposed two alternatives for transfer of ownership of the property within the District (all of which was subject to a statutory first lien in favor of the District, for the benefit of its bondholder, the 1990 Bondholder), neither of which were acceptable to the 1990 Bondholder. The first alternative proposed by Mellon was to have the property transferred to the 1990 Bondholder subject to all prior liens and encumbrances, including the Mellon mortgage. The second alternative proposed conveyance of the property to a plan trustee for a period of 18 months, within which the plan trustee was to attempt to sell the property. If no sale was consummated within that period, the second alternative called for the property to be conveyed free and clear of liens to the party determined to have the prior lien position unless said party's lien was otherwise paid in full. The District objected to Mellon's proposed plan for the same reasons advanced by the 1990 Bondholder.

Ultimately, on April 26, 1993, the Bankruptcy Court entered an order dismissing the bankruptcy case based on its determination that the Developer was a single asset debtor, and upon its determination that the bankruptcy case was essentially a dispute between the Developer and a single secured creditor -- Mellon.

Case No. 2 - Mellon Bank, N.A. v. Parkway Center Community Development District, First Union National Bank of Florida, and Woolley's Parkway Center, Inc., Case No. 93-669-CIV-T-15B in the United States District Court of the Middle District of Florida, Tampa Division.

This action was instituted by Mellon on April 21, 1993. In Count I of its complaint, Mellon sought a declaratory judgment that its interest in the subject property (as established by date on which a mortgage acquired by Mellon was recorded) was established prior in time to any interest by the District or First Union National Bank, as trustee for the 1990 Bondholder as the holder of the 1990 Bonds (the "Trustee"), as well as a declaration that Florida Statutes Chapters 170 and 190 were unconstitutional as applied to Mellon to the extent that they operated to subordinate the priority of Mellon's mortgage lien to the statutory lien of the District without just compensation. In Count II, Mellon sought a declaratory judgment that the Bonds issued by the District and purchased by the 1990 Bondholder were not properly validated and, based upon that premise, argued that the statutory lien of the District was junior and inferior to Mellon's prior recorded mortgage lien. In Count III, Mellon sought a declaratory judgment that it was denied due process of law under the 14th Amendment because it allegedly received no actual notice of the District's proposal to assess the property and because it did not receive notice reasonably calculated to apprise it of the effect of the issuance of the Bonds and/or the special assessments to service the debt on those bonds (which would effectively be to subordinate Mellon's first mortgage lien to a second lien behind the statutory lien of the District). In Count IV, Mellon sought a declaratory judgment that the special assessments levied by the District were invalid because the subject property received only limited, if any, special benefit from the expenditures paid for by the special assessments, because the special assessments were never approved, and because the special benefits allegedly inuring to the subject property were never determined by a duly constituted board of supervisors. In Count V, Mellon sought to equitably subordinate the liens of the District and the Trustee to the Mellon mortgage lien.

The 1990 Bondholder sought and obtained leave to substitute itself for the Trustee as a defendant in the case because it was the real party in interest. Subsequently, the 1990 Bondholder's motion to substitute into the case in place of the Trustee was granted, and the Trustee was no longer an active party in the case. Thereafter, the District and the 1990 Bondholder moved to dismiss Mellon's complaint.

In response to the 1990 Bondholder and the District's motion to dismiss the complaint, Mellon filed an amended complaint which was substantially identical to its original complaint except that it added a count to foreclose on the Mellon mortgage and to have the lien of the same declared superior to the District's statutory lien. The 1990 Bondholder and the District responded to the amended complaint by once again filing a motion to dismiss. The Developer, the owner of the property and a necessary defendant to the new foreclosure count made in the amended complaint, filed an answer and a counterclaim against Mellon under several theories of lender liability including fraud, negligent misrepresentation, breach of duty of good faith and fair dealing, and breach of contract. Ultimately, the trial court entered orders granting in part the 1990

Bondholder and the District's motion to dismiss the amended complaint (by dismissing Counts II and IV), and dismissing the Developer's counterclaims against Mellon.

Thereafter, the 1990 Bondholder and the District answered the surviving counts in Mellon's amended complaint and filed a counterclaim/third party complaint in which the following claims were raised. In Count I, the District sought a declaratory judgment that its assessments were valid, that the statutory sections providing for the superiority of the District's lien were constitutional, and that the District's lien was superior to that of the Mellon mortgage. In Count II, the District sought to impress an equitable lien on the subject property, superior to the Mellon mortgage under the theory that the fair market value of the property which served as Mellon's collateral was increased by the improvements paid for by the District. In Count III, the District sought to foreclose its statutory lien on the property pursuant to Florida Statutes Chapter 173. In Count IV, the District sought to foreclose its lien on the subject property under general Florida foreclosure law.

After extensive discovery and litigation, a three-way workout was entered into between and among Mellon, the Developer's, and an individual named Stephen Oveson (to which the District and the 1990 Bondholder were not participants), pursuant to which Oveson purchased Mellon's mortgage and succeeded to Mellon's interest in the litigation. At about the same time, Mellon and Oveson conceded that they no longer had any legal basis for challenging the priority of the District's lien on the subject property based on the recent decision of the United States Court of Appeals for the Eleventh Circuit in Zipperer vs. City of Ft. Myers, 41 F.3d 619 (11th Cir. 1995), and dismissed with prejudice the claims against the District and the 1990 Bondholder. As a result, the only claims remaining to be litigated were the District's claims to foreclose its lien on the subject property.

On February 24, 1995, the District filed a motion for summary final judgment. This motion was actively opposed by the Developer and, while it was pending, the case was set for both mediation and trial. Mediation was unsuccessful and the court postponed the trial date so that the District's pending motion for summary judgment could be referred to a Magistrate Judge for hearing and for issuance of a report and recommendation.

On July 3, 1995, oral argument on the District's motion for summary final judgment was heard by the Magistrate Judge. Pursuant to the Magistrate Judge's report and recommendation, and over the objection of the Developer, the trial court entered an order granting summary final judgment in favor of the District and scheduling the property for foreclosure sale by the U.S. Marshal. On the day prior to the scheduled foreclosure sale, however, the Developer once again filed for Chapter 11 protection (this time in Dallas, Texas) and, as a result of the automatic stay, the foreclosure sale was never held. This second bankruptcy action is discussed in more detail below as Case No. 4.

Case No. 3 - Parkway Center Community Development District vs. Woolley's Parkway Center, Inc., et al., Case No. 93-6640 in the Circuit Court of the Thirteenth Judicial Circuit in and for Hillsborough County, Florida.

This action was brought by the District approximately four months after Mellon's complaint in Case No. 2 above was filed. In its complaint, the District sought to foreclose on the subject property pursuant to Chapter 173 (Count I) and other general Florida foreclosure law (Count II). In addition, the District sought to impose an equitable lien against the property and to have said lien declared superior to the Mellon lien under the theory that Mellon knew or should have known of the improvements to be made to the subject property with the proceeds from the District's assessments, and would benefit by those assessments. Mellon thereafter filed a motion to say or dismiss this case under the theory that the federal court had already asserted jurisdiction over the subject matter in Case No. 2 discussed above. Pursuant to that motion, the trial court entered an order in December, 1993 staying this case for six months, or until the federal court action discussed as Case No. 2 above was resolved at the trial court level, whichever occurred first. Subsequently, this action was removed from the state court's docket as a pending case until such time as Case No. 2 above was resolved.

Given the ultimate entry of a judgment in favor of the District in Case No. 2 discussed above, and the subsequent settlement agreement and other arrangements discussed in Case No. 4 below, this action was never restored to active status and is terminated.

Case No. 4 - In re: Parkway Center, Inc., Case No. 395-38021-HCH-11 in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division.

On December 22, 1995, the day prior to the scheduled foreclosure sale in Case No. 2 discussed above, the Developer filed a second Chapter 11 petition. As a result of the automatic stay that went into place upon the filing of this petition, the foreclosure sale scheduled in Case No. 2 above did not go forward. The District and the 1990 Bondholder appeared in the bankruptcy case and filed a motion to dismiss the case or, in the alternative, for a change of venue to the bankruptcy court in Tampa where the Developer first bankruptcy was litigated. After various depositions were taken and preliminary hearings were held, the 1990 Bondholder, the District and the Developer entered into settlement negotiations in hopes of agreeing upon a joint plan of reorganization ("Joint Plan").

After extended negotiations, the Developer and the District (with the 1990 Bondholder's support) agreed upon and filed a Joint Plan which provided, in pertinent part, as follows:

- a. The Developer stipulated to the amount, validity and allowability in full of the District's claim as set forth in the District's proof of claim, and to the payment thereof in full (including post-petition interest and attorney's fees and costs, both pre-petition and post-petition), in accordance with the terms of the Joint Plan.

- b. The Developer stipulated to the District's retention of all liens and security interests in the property, in accordance with the terms of the Joint Plan.
- c. The Developer stipulated to the absolute priority of the District's liens on and security interests in the property, co-equal with the Florida statutory lien held by the tax collector for any unpaid ad valorem taxes assessed against the property, which liens and security interests run to the benefit of both the District and the 1990 Bondholder;
- d. The Developer stipulated that the liens and security interests held by the District would run not only to the property itself, but to all rights that run with the property (e.g. development and zoning rights, impact fee credits), such that said property rights would not remain with the Developer but would pass to the District, at no cost to the District, upon the District acquiring title to the property whether by conveyance from the Developer, by order of the bankruptcy court, or by foreclosure of the District's liens on and security interests in the property;
- e. An "effective date" was established, by which time the Developer was required to make the following payments:
 - (i) the 1990 Bondholder's legal expenses related to these cases.
 - (ii) \$2,665,600.00 - Representing the sum total of various past due interest payments on the 1990 Bonds.

The Joint Plan further provided for the Developer's payment of all past due amounts due to the tax collector and to the holders of outstanding tax certificates, to pay all reasonable legal fees of the 1990 Bondholder and the District from the effective date of the Joint Plan through the closing of the refunding bond issue (discussed below), and to pay current and future interest on the bonds on a monthly basis. In addition, the Developer was required to deliver a deed to the subject property to an escrow agent as security for all of the Developer's obligations under the Joint Plan.

- f. The parties agreed on a new land use scheme for the subject property and the Developer agreed to obtain whatever governmental permitting might be required in order to effectuate this new land use scheme at the Developer's sole expense. The parties further agreed that once the property was successfully repermited, they would proceed with a refunding bond issue pursuant to an agreed upon assessment methodology and an agreed upon formula for the allocation of certain impact fee credits.

g. Upon:

- (i) completion of the repermitting;
- (ii) The Developer's timely and full performance of all of its material and financial obligations under the Joint Plan;
- (iii) the delivery of a written opinion by bond counsel that any refunding bonds would not be subject to certain taxes and would otherwise be compliance with applicable Florida and federal tax law

the District agreed to issue and the 1990 Bondholder (or its nominee) agreed to purchase the 1997 Bonds to be issued by the District for the purpose of retiring and refunding the existing bonds.

Oveson's interest in the Mellon mortgage has been converted into an unsecured loan to the Developer.

THE 2000 PROJECT

For a detailed description of the 2000 Project, please refer to "APPENDIX E - ENGINEER'S REPORT" herein.

THE DISTRICT

Introduction

The District is located in the south-central portion of the County, and is located eight miles southeast of downtown Tampa and approximately eighteen miles southeast of Tampa International Airport. The District was created on November 17, 1990 and consisted of approximately 940 acres. On March 14, 2000, the Hillsborough County Board of County Commissioners enacted Ordinance No. 00-11 amending the boundaries of the District. Approximately the northern third of the District comprising a total of 343.8 acres was contracted out of the District. In addition, three small parcels consisting of approximately 20.6 acres were added to the District. In four separate transactions, the Developer sold the property in the contracted area and all of the 2000 Assessments levied on those properties were prepaid. See "THE DEVELOPMENT - Development and Sales History" herein. The new District boundaries contain approximately 616.7 acres.

The District is an independent unit of local government created in accordance with Chapter 190, Florida Statutes, known as the Uniform Community Development District Act of 1980 (the "Act"). The Act was enacted in 1980 to provide a uniform method for the establishment of

independent districts to manage and finance basic community development services, including capital infrastructure required for community developments throughout the State. The Act provides legal authority for community development districts (such as the District) to finance the acquisition, construction, operations and maintenance of the major infrastructure for community development.

The Act provides that community development districts have the power to issue general obligation, revenue and assessment bonds in any combination to pay all or part of the cost of infrastructure improvements authorized under the Act. The Act further provides that community development districts have the power (i) to levy and assess taxes, including 2000 Assessments, on all taxable real and tangible personal property within their boundaries to pay the principal of and interest on bonds issued and (ii) to provide for any sinking or other funds established in connection with any such bond issues. Pursuant to the Act, such 2000 Assessments shall be assessed, levied and collected in the same manner and time as county taxes.

Among other provisions, the Act gives the District's Board of Supervisors the right to: (i) hold, control, and acquire by donation, purchase, condemnation or dispose of any public easements, dedications to public use, platted reservations for public purposes or any reservations for those purposes authorized by the Act and to make use of such easements, dedications, or reservations for any of the purposes authorized by the Act; (ii) finance, fund, plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate and maintain storm water management and control, water supply, sewer and wastewater management systems, or any combination thereof and to construct and operate connecting intercepting or outlet sewers and sewer mains and pipes and water mains, conduits, or pipelines in, along, and under any street, alley, highway, or other public place or ways, and to dispose of any effluent, residue or other byproducts of such system, or sewer system; (iii) borrow money and issue bonds, certificates, warrants, bonds or other evidence of the District; and (iv) exercise all of the powers necessary, convenient, incidental or proper in connection with any of the powers, duties or purposes authorized by the Act.

The Act does not empower the District to adopt and enforce land use plans or zoning ordinances, and the Act does not empower the District to grant building permits. These functions are performed by Hillsborough County, acting through its Board of County Commissioners and its departments of government.

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

Board of Supervisors

The Act provides for a five-member Board of Supervisors (the "Board") to serve as the governing body of the District. Members of the Board ("Supervisors") must be residents of the State and citizens of the United States. Initially, the Supervisors are appointed by the county pursuant to Chapter 190, Florida Statutes, until an election is advertised. Following advertisement, the Supervisors are elected on an at-large basis by the owners of the property within the District. Ownership of land within the District initially entitles the owner to one vote per acre (with fractions thereof rounded upward to the nearest whole number). Each Supervisor serves until expiration of his or her term and until his or her successor is chosen and qualified. If, during a term of office, a vacancy occurs, a majority of the remaining Supervisors may fill the vacancy by an appointment of an interim Supervisor for the remainder of the unexpired term.

The landowners in the District elect two Supervisors to four-year terms and three Supervisor to two-year terms at bi-annual elections. Until the later of six years after the initial appointment of Supervisors or the year when the District attains at least 250 qualified electors, Supervisors whose terms are expiring will begin to be elected (as their terms expire) by qualified electors of the District. A qualified elector is a registered voter who is a resident of the District and the State and a citizen of the United States. At the election where Supervisors are first elected by qualified electors, two Supervisors must be qualified electors and be elected by qualified electors, one to a four-year term and one to a two-year term. The other Supervisor will be elected by landowners to a four-year term. Thereafter, as terms expire, all Supervisors must be qualified electors and be elected by qualified electors to serve staggered terms.

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

The Act provides that it shall not be an impermissible conflict of interest under Florida law governing public officials for a Supervisor to be a stockholder, officer or employee of a landowner.

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The current members of the Board, the occupation and the term of each member are set forth below:

<u>Name</u>	<u>Title</u>	<u>Term Expires November</u>	<u>Occupation</u>
Thomas W. Black	Chairman	2000	Attorney
Paul Grasser	Vice Chairman	2002	Affiliate or Employee of the Developer
Joe Taggart	Assistant Secretary	2002	Officer of Crescent Resources
Clarence Fort	Assistant Secretary	2000	Deputy Sheriff
Eric Eicher	Assistant Secretary	2002	Real Estate Broker

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

The District Manager and Other Consultants

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

The District has hired Severn Trent Environmental Services to serve as District Manager to the District (the "District Manager"). Gary Moyer ("Mr. Moyer") is the Senior Vice President of the District Manager. Mr. Moyer began his development career with Westinghouse Corporation in 1973 after receiving a bachelor of science degree from Penn State University and a master of business administration degree from the University of Notre Dame. He founded Gary L. Moyer & Associates, P.A. in 1982 for the purpose of providing professional managerial services to units of local government, specifically special purpose districts. Mr. Moyer is actively involved in the management of more than 70 special districts throughout the State, including community development districts, that have collectively issued in excess of \$1 billion of debt obligations. Mr. Moyer has served on the Board of Directors of the Association of Special Districts, the Broward County 208 Water Quality Board, and the Broward County Areawide Clean Water Advisory Board. Mr. Moyer's office is located at 10300 Northwest 11th Manor, Coral Springs, Florida 33071, telephone (954) 753-0380. In October of 1998, Gary L. Moyer & Associates, P.A., was purchased by Severn Trent Environmental Services. Mr. Moyer will continue to act as District Manager for all of the districts he represents.

The Act further authorizes the Board to hire such employees and agents as it deems necessary. Thus, the District has employed the services of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, as Bond Counsel; Williams, Schifino, Mangione & Steady, P.A., Tampa, Florida as counsel for the District; and Fishkind & Associates, Inc., Orlando, Florida, as Financial Consultant.

See "APPENDIX F - INDEPENDENT AUDITORS' REPORT AND GENERAL FINANCIAL STATEMENT FOR FISCAL YEAR ENDED SEPTEMBER 30, 1999" herein for a detailed description of the financial status of the District.

The information appearing below under the captions "THE DEVELOPER" and "THE DEVELOPMENT" has been furnished by the Developer. This information has not been independently verified by the District or the Underwriter and neither the District nor the Underwriter makes any representation or warranty as to the accuracy or completeness of the information.

THE DEVELOPER

The Developer is a Florida corporation that was established to develop the Oak Creek development (the "Development"). Robert E. Woolley ("Mr. Woolley") owns 100% of the stock of the Developer. Below is a detailed history of Mr. Woolley's real estate experience as well as resumes of the development, sales and management team for the Development.

Mr. Woolley founded Precision Plumbing Company in Phoenix in 1959. By 1965, Mr. Woolley had expanded his operation to include electrical and air conditioning contracting and had become one of the largest plumbing and mechanical firms in the southwest. In 1965, Mr. Woolley entered real estate development by developing numerous apartment complexes in the Phoenix area. By 1969, Mr. Woolley had discovered the opportunities presented by the hospitality business and founded Granada Royale Hometels ("Granada Royale") and the all-suite hotel concept. For the next fifteen years, Mr. Woolley expanded the Granada Royale chain until its sale to Embassy Suites in 1984. At the time of the sale, Mr. Woolley owned and operated ten Granada Royales, had fifteen franchised properties open and more than fifty additional franchises sold. Additionally, Mr. Woolley developed resort hotel projects in Mexico and Hawaii. In 1991, Mr. Wolley founded the Crown Sterling Suites hotel chain with 22 hotels formerly operated by Embassy Suites Hotels. Crown Sterling Suites continued to operate these hotels until their sale to FelCor Suite Hotels, Inc., in 1996.

Mr. Woolley recently completed the construction of a five star resort, Karmina Palace, in Manzanillo, Mexico. The 325-suite destination resort opened in early 1997. The resort is positioned at the upper level of resort properties. The resort opened as an all-inclusive, Gran Turismo resort. Since opening, the property has enjoyed tremendous reception from domestic and international travelers.

Mr. Woolley, with a local company, recently opened a 369 room Doubletree Hotel near the Chicago O'Hare International Airport in the village of Rosemont. The \$44,000,000 hotel features oversized rooms, 16,000,000 square feet of meeting space and two restaurants including a Gibson's Steakhouse.

Domestically, the Woolley Hotel Company ("WHC") which is owned by Mr. Woolley, intends to continue to utilize its expertise to develop hotels.

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The table below is a list of the hotel projects developed by Mr. Woolley from 1969 to 2000.

<u>Hotel Name</u>	<u>Location</u>	<u>Date Opened</u>	<u>Keys</u>	<u>Completion Cost " (in \$ Millions)</u>
	Phoenix, AZ	1969	75	0.8
GRH	Tempe, AZ	1970	137	1.3
GRH	Phoenix, AZ	1972	104	1.1
GRH, ESI	Phoenix, AZ	1973	178	3.2
GRH, ESI	Omaha, NE	1973	189	4.4
GRH, ESI	Tucson, AZ	1975	142	2.7
GRH, ESI	Cedar Rapids, IA	1975	190	3.2
GRH, ESI	Phoenix, AZ	1976	167	3.7
GRH, ESI	El Paso, TX	1977	185	4.5
GRH, ESI	Kansas City, MO	1978	265	7
GRH, ESI	Bloomington, MN	1978	225	6.2
GRH, ESI	San Antonio, TX	1978	224	6.5
GRH	Covina, CA	1981	268	9
GRH	Buena Park, CA	1981	200	14
GRH	Arcadia, CA	1982	220	16
GRH	Los Angeles, CA	1982	350	61
GRH, ESI, CSS	Austin, TX	1982	263	22
GRH, ESI, CSS	Santa Ana, CA	1983	300	38
GRH	Lubbock, TX	1983	161	10
GRH	Downey, CA	1983	219	22
ESI	St. Paul, MN	1983	210	18
ESI	Minneapolis, MN	1984	218	21
ESI	Irving, TX	1985	308	31.5
ESI	Baton Rouge, LA	1985	224	21
ESI, CSS	Napa Valley, CA	1985	205	22
ESI, CSS	Phoenix, AZ	1985	232	25
ESI, CSS	Tampa, FL	1985	129	11
PS	Santa Ana, CA	1985	183	10
RI	Tyler, TX	1985	128	7.5
ESI, CSS	Burlingame, CA	1986	339	39
ESI, CSS	Oxnard, CA	1986	249	42
ESI, CSS	Bloomington, MN	1986	311	30
ESI, CSS	Ft. Lauderdale, FL	1986	359	38
ESI, CSS	Ft. Lauderdale, FL	1986	254	29
ESI, CSS	Tampa, FL	1986	260	28
ESI, CSS	Lompoc, CA	1986	156	12
ESI, CSS	Anaheim, CA	1987	224	24
ESI, CSS	Deerfield Beach, FL	1987	244	37
ESI, CSS	Birmingham, AL	1987	243	18
ESI, CSS	Miami, FL	1987	314	33
ESI, CSS	Milpitas, CA	1987	267	28
ESI, CSS	South San Francisco, CA	1988	312	36
ESI, CSS	Maui, Hawaii	1988	413	96
ESI, CSS	Boca Raton, FL	1989	182	14
HI	Las Vegas, NV	1990	140	6.8
Kea Lani	Maui, Hawaii	1991	465	150
Karmina Palace	Mexico	1997	313	6
DT	Chicago, IL	2000	369	44
TOTALS:			<u>11,313</u>	<u>1,114.4</u>

ESI: Embassy Suites, Inc.

CSS: Crown Sterling Suites

HI: Hampton Inn

DT: Doubletree Hotel

GRH: Granada Royale Homotel

PS: Petite Suites

RI: Residence Inn

The following is a list of non-hotel developments by Mr. Woolley and his affiliates.

<u>Type</u>	<u>Location</u>	<u>Date Completed</u>	<u>Size</u>
Apartments	Phoenix, AZ	Mid 1960's	500
Apartments	Kansas City, KS	1975	1,200
Industrial Park	Tempe, AZ	1974	100 acres
Warehouses	El Paso, TX	1974-75	700,00 sq. ft.
Office	Tempe, AZ	1975	40,000 sq. ft.
Residential Lots	Scottsdale, AZ	1975	140 lots
Commercial Center	Tampa, FL	1985	82,000 sq. ft.
Commercial Center	Tampa, FL	1999	124 acres
Office	Tampa, FL	Under Construction	40,000 sq. ft.

Michael R. Greenwald, Executive Vice President, Administrator of WHC ("Mr. Greenwald") joined WHC in 1982 as corporate counsel and later served as Director of Franchising until his promotion to Vice President of Administration in 1984. Mr. Greenwald is currently responsible for long-term planning and coordination of the chain's day-to-day activities. Prior to joining the organization, Mr. Greenwald was engaged in the practice of law in Phoenix, Arizona, with emphasis in the areas of general business, real estate and estate planning. Mr. Greenwald received his undergraduate and Juris Doctor degrees from Arizona State University.

Paul R. Grasser, Project Manager, Florida ("Mr. Grasser") has managed WHC's Florida lands. Mr. Grasser possesses an extensive history in all phases of real estate and land development. After having served as Executive Vice President of Robert E. Woolley, Inc./Florida, Mr. Grasser currently oversees mixed-use development projects including the Parkway Center/Oak Creek project described in this offering; North Palms Village in the New Tampa area of Tampa, regarded as one of the most successful projects in the Tampa area; and Linebaugh Center in the Tampa International Airport North area, consisting of a 44,000 square foot flex office/warehouse building, opening in late 2000. Mr. Grasser, who holds a Bachelor of Business Administration from Concordia College, currently runs the operations of Grasser & Associates of Tampa, Florida.

THE DEVELOPMENT

General

The Development, within the District, is a portion of a 962-acre master planned mixed use community located entirely in the Parkway Center Development of Regional Impact ("Parkway

DRI"). The Development is located in the south-central portion of the County approximately eight miles southeast of downtown Tampa and approximately eighteen miles southeast of the Tampa International Airport. Major access routes to the Development include the interchange of Interstate 75 and U.S. 301 and the Crosstown Expressway, which are all located within five minutes of the Development. The Development is located within ten miles of the Brandon Towne Center, the newest and largest mall in the Tampa area and west coast beaches are within a one hour drive. Also, major medical facilities are located within fifteen minutes of the Development. The elementary and high schools that will serve the Development are within six miles and the middle school is approximately eight miles from the Development.

Lands within the District boundaries are currently intended to include 490 single-family units, 650 multi-family units, 200 assisted living units and 249 acres of light industrial use. The Developer also intends to develop Oak Creek with a 15-acre park, a swimming pool with a cabana, conservation trails and an interconnecting system of sidewalks that will circumnavigate the residential subdivisions.

Parkway DRI

The Development was originally approved as a development of regional impact in 1987, pursuant to a Development Order (Resolution No. R87-0334). The Development Order was subsequently amended in 1992 pursuant to Resolution No. R92-0208, twice in 1997, pursuant to Resolution Nos. R97-189 and R97-284, and in 1999 pursuant to Resolution No. R099-202. The Development is approved for 9,774,850 square feet of light industrial, service center, high tech, office, and commercial uses, and a 260 room hotel. These approvals are described more specifically below:

<u>Land Use</u>	<u>Phase I</u>	<u>Phase II</u>	<u>Total</u>
Light Industrial	4,510,700	2,654,650	7,163,350
Service Center	210,000	820,800	1,030,900
High Tech	319,300	538,800	858,100
Office	150,300	346,700	497,000
Commercial	<u>121,500</u>	<u>104,000</u>	<u>225,500</u>
SUBTOTAL	5,311,900	4,464,950	9,774,850
Hotel	100 rooms	160 rooms	260 rooms

*All square footage refer to gross square footage.

The revised Development Order contains an Equivalency Matrix that provides flexibility in development of Oak Creek by allowing the Developer to trade-off the approved uses and square footages set forth above for Residential (single-family and multi-family), commercial, hotel, office

park, office, and industrial park uses pursuant to the land use exchange formulas contained in the Equivalency Matrix. The Equivalency Matrix allows a trade off to achieve the development entitlements provided in the PD-MU zoning referenced below.

Zoning Approval

In addition to the Parkway DRI modifications referenced above, in 1999 the Hillsborough County Board of County Commissioners approved an amendment to the Planned Development Mixed Use (PD-MU) zoning approval to facilitate development of Oak Creek as a mixed use project with a large residential component. The zoning approval for the Development consists of the following maximum development entitlements for each type of land use:

Single-Family Residential	1,537 dwelling units
Multi-Family Residential	1,528 dwelling units
Industrial	3,100,000 square feet
Office	150,000 square feet
Office Park	1,100,000 square feet
Hotel	200 rooms
Commercial	175,000 square feet

The Developer has reserved right of way to accommodate a light rail line and a rail transit station until November 15, 2002. The County is currently studying the need for government construction of this line through the Development. Current development plans by the Developer contemplate development of Oak Creek in accordance with the PD-MU zoning described above. The table below represents the current expectation of land uses within the District:

<u>Land Use</u>	<u>Acres or Units</u>
Business Park	249 acres
Assisted Living	200 units
Single-Family - 40' Lots	108 units
Single-Family - 50' Lots	309 units
Single-Family - 65' Lots	73 units
Multi-Family	650 units

Based upon the Parkway DRI and zoning approvals, approximately 40 acres of the Development has been established as an eagle protection zone until such time, if ever, as it is determined in accordance with applicable law, that the area is no longer required for the protection

of an endangered species. An additional approximate 60 acres has been established as a gopher tortoise preserve. Of the approximately 616.7 acres, approximately 518 will be available for development and sale.

Transportation Impact Fees

The District currently has an outstanding transportation impact fee balance of \$1,543,631. The District will also obtain impact fee credits for the construction of Falkenberg Road from Progress Boulevard to Everhart Road. It is anticipated that the credit obtained will match the estimated construction cost of \$1,700,000. There is a possibility that the District may obtain additional transportation impact fee credits for a portion of the construction costs of Falkenberg Road through the District. The District intends to assign the impact fee credits to the purchasers of land within the District based upon the allocation methodology adopted to levy the District's 2000 Assessments. There is a possibility that the County will purchase impact fee credits from the District via a new financing program being considered for the long-term payment of impact fees by single-family residences. In the event the County purchases the outstanding credits from the District, it is intended that the District will use the funds for any purpose provided by law, including, but not limited to, the construction of additional infrastructure improvements.

Development and Sales History

Transportation infrastructure that has been constructed to date includes construction of Eagle Palm Drive from 78th Street to Falkenberg Road and construction of Falkenberg Road from Eagle Palm Drive to Madison Avenue (Progress Boulevard).

In addition, the Developer currently has two infrastructure projects underway which the District will acquire upon issuance of the 2000 Bonds.

The first improvement project is construction of an extension of off-site Falkenberg Road approximately 4,500 linear feet from Progress Boulevard to Everhart Road. This improvement project also includes installation of a traffic signal at the intersection of Progress Boulevard and Falkenberg Road. Work on this improvement project began in December 1999 and is expected to be completed by May 2000.

The second improvement project is construction of an extension of Falkenberg Road 1,800 linear feet south from the existing Falkenberg Road and Eagle Palm Drive intersection to the northern edge of the commercial core of the Development. This extension will be called Parkway Northeast. Work on this improvement project began in February 2000 and is expected to be completed by August 2000.

To date, the Developer has sold approximately 270.25 acres in four separate transactions that include:

- In August 1998, 3.038 acres were sold to St. John's Family Trust for the construction of 44,000 square foot fire sprinkler pump manufacturer (Canariis Corporation). This parcel was sold for \$60,000 per acre
- In December 1998, 18.99 acres were sold to East Group Properties, L.P. for \$55,000 per acre. East Group Properties, L.P. constructed a 220,000 square foot warehouse that is occupied by Premier Beverage Corporation.
- In March 1999, Crescent Resources ("Crescent") purchased 164.28 acres for \$55,000 per acre. Crescent recently received funding approval from their parent company, Duke Power, to begin construction of two spec buildings. The first is a 126,000 square foot dock high flex building with rear truck loading with 24-foot clearance. The second is a 131,500 square foot dock high bulk building with rear truck loading with 24-foot clearance. Contracts for both buildings have been let to RR Simmons Construction Company and construction will begin on both buildings within 60 days. In addition, Crescent has let out the contract and clearing work has begun on the extension of Eagle Palm Drive from the intersection of Eagle Palm Drive and Falkenberg Road to the residential loop road. The total cost of the improvements to Eagle Palm Drive and its related drainage are estimated at \$1.6 million. These improvements will be funded solely by Crescent.
- In February 2000, Crescent purchased an additional 83.94 acres of unimproved land for \$70,000 per acre.

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Industrial Community

The Tampa Bay industrial market has seen continued growth over the last several years, specifically in the Interstate 75 and U.S. 301 corridor. In the past 36 months several million square feet of new buildings have been constructed and leased. Some of the new major facilities include:

<u>Company Name</u>	<u>Square Footage</u>
Canariis Corporation	44,000
Premier Beverage Corporation	220,000
Progressive Insurance	307,000
Intermedia	400,000
Citibank	711,000
Chase Manhattan Bank	450,000
USF@G	83,000
Household Finance	120,000
Ford Motor Credit	120,000

Several major real estate investment trusts ("REITs") are active in the area which include Highwoods Properties, Prologis, Duke Weeks, East Group Properties, Liberty Trust, Trammel Crow and First Industrial Trust. All of these REITs have constructed and successfully leased new buildings in the Interstate 75 and U.S. 301 corridor where vacancy rates are running approximately 8%. All of this activity has taken place within ten minutes of Oak Creek. As described in detail above, the Developer has closed \$19,000,000 in land sales since August 1998.

The Developer expects demand for industrial property to continue to grow at a rapid pace due to the Interstate 75 and U.S. 301 corridor's location and lack of inventory. Based upon the recent purchases by Crescent, the Developer believes that Crescent is the most likely purchaser of additional industrial acreage within the District. However, as the major REITs begin to run out of inventory, it is expected that they will look to make additional acquisitions where they have already made a substantial investment. In addition, nearby Brandon, which was once considered to be a bedroom community to Tampa, continues to capture around 40% of all of the building permits for residential construction in the County. More than 200,000 people reside within a ten mile radius of the intersection at U.S. 301 and Bloomingdale Road, which provides a ready labor supply. There are also several major roadway extensions and improvements underway to Interstate 4, Interstate 75 and the Crosstown Expressway as well as a \$37 million improvement project at the Vandenberg Airport. The Developer expects that the ready labor supply coupled

with the Development's proximity to downtown Tampa, two airports and Tampa's university system will be the key components to the success of the industrial component of the Development. The Developer expects that the industrial acreage within the District will be absorbed as presented in the table below:

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Acres	33.32	51.30	43.84	43.84	43.84	32.88

Residential Community

The Developer is marketing the residential component of Oak Creek as an affordable community that will target first time home buyers. The Development will contain varied lots sizes and builders will offer homes with a variety of floor plans. It is expected that residents will purchase homes within the Development for several reasons including proximity to nearby shopping and employment, affordable home/lot packages, proximity to schools and access to and from I-75.

The Developer's current plans call for selling finished lots for single-family homes and pods for multi-family units to builders. The following table reflects the Developer's current expectations of product type, number of units, builder prices and retail home/lot package prices for single-family units, although these variables are subject to change:

<u>Product Type</u>	<u>Number of Lots/Units</u>	<u>Initial Builder Prices*</u>	<u>Retail Package Prices</u>
40' Single-Family	108	\$17,000	\$80,000-\$120,000
50' Single-Family	309	\$23,000	\$100,000-\$150,000
65' Single-Family	73	\$30,000	\$150,000-\$200,000

* The initial builder prices net out the principal amount of the annual assessment that will be passed through to the landowner.

Builder Contracts

The Developer has entered into builder contracts with two builders and a letter of intent with one builder for the single-family lots. The letter of intent is now in the contract negotiation stage. Below is a description of each builder and their respective builder contract or letter of intent:

Westfield Homes was founded in the north suburban Chicago area of Lake County, Illinois in 1980. Westfield Homes ranks as one of America's Top 200 homebuilders, having built over 5,000 homes with average annual closings in excess of \$50,000,000. In 1989, Westfield Homes

entered into the Tampa Bay market. According to Rose Residential Reports, the leading independent real estate consulting firm in the three county area of Pinellas, Hillsborough and Pasco Counties, Westfield Homes ranked fourth in the three county area in closings with a total of 426 closings for the 1999 calendar year. Westfield Homes ranked fourth only to U.S. Home, Pulte Homes and Lennar Homes. In addition, Westfield Homes recorded 348 closings in the County, placing third behind U.S. Home and Florida Design Communities in 1999. Also, Westfield placed second only to U.S Home for new permits issued in the County in 1999 with a total of 447.

Pursuant to a builder contract with the Developer, Westfield Homes has contracted to purchase all 108 of the single-family 40-foot lots in the Development at a base price of \$17,000 per lot. The base price would increase at the rate of 6% annually, commencing six months after the first takedown. The rate of takedown is proposed to be 12 lots per quarter and if more than 12 lots per quarter are taken down in any one quarter, the excess would apply to the next quarter. A deposit of \$1,000 per lot or \$108,000 in the form of a letter of credit or cash would be required until the last lot is taken down. The builder contract obligates Westfield Homes to contribute to a marketing co-op in amounts and a form to be determined. Westfield Homes is required to construct two furnished models and have 2 spec homes under construction at all times. The first takedown would be on or before November 1, 2000 on or about the date upon which the lots are scheduled to be available.

American Heritage Homes is currently building in 16 active communities in the Orlando area and 11 in the Tampa area and reported new home sales of 1,175 homes for a dollar volume of close to \$170 million for the calendar year 1999. In the Tampa area American Heritage Homes reported 341 sales for a dollar volume of \$49,445,000. According to Rose Residential Reports, American Heritage Homes ranked 12th in closings in the three county area of Pinellas, Hillsborough and Pasco Counties in 1999 with 213 closings.

Pursuant to a letter of intent with the Developer, American Heritage Homes intends to purchase 219 of the single-family 50-foot lots in the Development at a base price of \$23,000 per lot. The base price would increase at the rate of 6% annually. The initial closing would consist of 10 lots upon recordation of the plat and commencing 6 months after the initial closing, 15 lots per quarter would be purchased. A letter of credit in the amount of \$1,500 per lot for all lots under construction would be issued.

Premier Homes of Southwest Florida, Inc. ("Premier Homes") builds custom and semi-custom homes priced from the \$160,000 to \$400,000. Premier Homes is currently building custom homes priced from the \$300,000 in the Pinellas County master-planned community known as Crescent Oaks. Premier Homes recently opened a model center in the master-planned community of Westwood Lakes, which is located in Northwest Hillsborough County. The Westwood Lakes homes are priced from the \$170,000 to the mid-\$200,000. Premier Homes expects to sell approximately 75 homes in 2000.

Ron Smith ("Mr. Smith"), president and owner of Premier Homes, has over 27 years of experience building custom and semi-custom homes, including over 24 years in charge of divisions or regions for major national homebuilders.

Prior to starting Premier Homes, Mr. Smith was the Regional President for M/I Schottenstein Homes ("M/I") for the entire State. As such, he was responsible for all of M/I's homebuilding and land development operations in the State, building homes ranging in price from the low \$100,000 to \$500,000. While in charge of M/I, Mr. Smith built over 1,000 custom, semi-custom and production homes in well know master-planned communities such as Westchase, Lansbrook, Cross Creek and West Meadows.

Before joining M/I, Mr. Smith served in senior management positions with Lennar Homes, Richmond American Homes and Pulte Homes. Over the years, various operations for which Mr. Smith was responsible built over 10,000 homes under his direct supervision.

Pursuant to a builder contract with the Developer, Premier Homes is obligated to purchase all 73 of the single-family 65-foot lots in the Development at an average price of \$30,000 per lot. The initial closing will consist of 2 model lots that would occur within 90 days prior to the substantial completion date of the lots. Premier Homes is required to purchase 6 lots within 90 days after the substantial completion date of the lots and purchase 6 lots every 90 days thereafter. A deposit of \$1,500 per lot or \$109,500 in the form of a letter of credit or cash is required.

Marketing

The residential component of Oak Creek has been designed to compete with the entry-level master-planned communities in the area. The primary target market segments will be families and younger couples.

Marketing efforts will include utilizing a variety of media including billboards, signage, newspapers, radio and real estate magazines. All participating builders will be required to build two staffed models and contribute to a marketing/advertising program.

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Projected Absorption

The Developer projects that residential units within the District will be absorbed over a six (6) year period, as presented in the following table:

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>TOTAL</u>
<u>Product Type</u>							
Single-Family - 40'	48	48	12	0	0	0	108
Single-Family - 50'	40	60	60	60	60	29	309
Single-Family - 65'	12	24	24	13	0	0	73
Multi-Family	0	650	0	0	0	0	650
Assisted Living	0	0	0	0	200	0	200

These anticipated absorption rates are based upon estimates and assumptions made by the Developer that are inherently uncertain, though considered reasonable by the Developer, and are subject to significant business, economic and competitive uncertainties and contingencies, all of which are difficult to predict and many of which are beyond the control of the Developer. As a result, there can be no assurance such absorption rates will occur or be realized in the time frames anticipated.

Competition

The four communities nearest to Oak Creek that the Developer feels will pose primary competition are Fishhawk Ranch, Covington Park, Summerfield Crossing and Apollo Beach.

Fishhawk Ranch ("Fishhawk"), an 1,815 unit single-family community being developed by Genstar Land Company ("Genstar"), is located approximately eleven miles from Oak Creek. Fishhawk is the first phase of a 4,386-acre development located near Brandon which at build-out is expected to include approximately 5,800 residential units, 382,000 square feet of commercial space, wetlands and open space acreage. Genstar is marketing Fishhawk to builders, who in turn are marketing to first-time home buyers as well as move-up buyers. Several local and national builders are building in Fishhawk including Inland Homes, Morrison Homes, David Weekley Homes, Windward Homes and Westfield Homes. Fishhawk currently offers a variety of lot sizes with home and lot package prices ranging from \$70,000-\$500,000. To date, approximately 489 lots have been sold to builders and 220 homes are occupied.

Covington Park, which is also being developed by Genstar, is a 792-unit master-planned community located approximately twelve miles from the Development. Genstar began development at Covington Park in January 2000 and expects lot sales to begin in the second half of 2000. Similar to Fishhawk, Genstar will be marketing lots to builders who in turn will offer home and lot packages to retail buyers at prices ranging from \$80,000-\$230,000.

Summerfield Crossing ("Summerfield"), located approximately 14 miles from Oak Creek, is a 1,886 acre Development of Regional Impact ("DRI") as defined in Section 380.06, Florida Statutes, approved for 6,250 residential units, 480,000 square feet of commercial space and 660,000 square feet of industrial space. Since opening in 1985, approximately 1,300 units have been built to date. During the first few years of development, several builders built in Summerfield, however, since the early 1990's, U.S. Home has been the sole builder. Summerfield has an 18-hole championship golf course, clubhouse and town hall center featuring an olympic size swimming pool, indoor basketball court, exercise room and tennis courts. Summerfield offers six to eight different product lines, with units ranging in size from 1,113 to 4,149 square feet and in price from \$83,000 to \$193,000.

Apollo Beach, an older DRI community started in the 1960's, is located approximately fourteen miles to the southwest of the Development. To date approximately 3,000 homes have been built in Apollo Beach. In 1996, the Apollo Beach DRI was amended, dropping the number of additional units from 11,000 to 2,300. Homes prices range from \$80,000 for inland home sites and exceed \$500,000 for waterfront home sites. Recently, Terrabrooke Communities purchased 700 acres for development of a 1,200-unit resort community.

TAX MATTERS

The Internal Revenue Code of 1986, as amended (the "Code") establishes certain requirements which must be met subsequent to the issuance and delivery of the 2000 Bonds for interest thereon to be and remain excludable from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the 2000 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the 2000 Bonds. Those requirements include, but are not limited to, provisions which prescribe yield and other limits within which the proceeds of the 2000 Bonds and other amounts are to be invested and require, under certain circumstances, that certain excess investment earnings on the foregoing must be rebated on a periodic basis to the Treasury Department of the United States. The District has covenanted in the Indenture to comply with each such requirement.

In the opinion of Bond Counsel, assuming continuous compliance by the District with the Code and the covenants in the Indenture, under existing statutes, regulations, published rulings, interest on the 2000 Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individual and corporations, however interest on the 2000 Bonds is taken into account in determining current earnings for purposes of calculating the alternative minimum tax imposed on corporations. In rendering this opinion, Bond Counsel will rely upon certificates of the District with respect to certain material facts relating to the property financed with the proceeds of the 2000 Bonds and the application of proceeds of the 2000 Bonds. See "APPENDIX B - FORM OF OPINION OF BOND COUNSEL" herein.

Failure by the District to comply subsequent to the issuance of the 2000 Bonds with certain requirements of the Code regarding the use, expenditure and investment of Bond proceeds and the timely payment of certain investment earnings to the Treasury of the United States may cause interest on the 2000 Bonds to become included in gross income for federal income tax purposes retroactive to their date of issue. The District has covenanted in the Indenture to comply with all provisions of the Code necessary to, among other things, maintain the exclusion from gross income of interest on the 2000 Bonds for purposes of federal income taxation. In rendering its opinion, Bond Counsel has assumed continuing compliance with such covenants.

In the opinion of Bond Counsel, pursuant to the Act, interest on the 2000 Bonds is exempt from taxation under the existing laws of the State, except as to estate taxes and taxes imposed under Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, as defined in said Chapter 220.

Interest on the 2000 Bonds may be subject to state or local income taxation under applicable state or local laws in other jurisdictions. Purchasers of the 2000 Bonds should consult their tax advisors as to the income tax status of interest on the 2000 Bonds, in their particular state or local jurisdictions.

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the 2000 Bonds. In some cases these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar in nature to the 2000 Bonds. From time to time, legislative proposals may be introduced which could have an effect on both the federal tax consequences resulting from the ownership of the 2000 Bonds and their market value. No assurance can be given that any such legislative proposals, if enacted, would not apply to, or would not have an adverse effect upon, the 2000 Bonds.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance of the 2000 Bonds may affect the tax status of interest on the 2000 Bonds. Moreover, except as stated above, Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the 2000 Bonds. Prospective purchasers of the 2000 Bonds are advised to consult their own tax advisors as to the applicability of other federal tax consequences.

TAX TREATMENT OF ORIGINAL ISSUE DISCOUNT

Under the Code, the difference between the principal amount of the 2000 Bonds and the cost basis of such 2000 Bond to a Bondholder (other than a Bondholder who holds such a 2000 Bond as an inventory, stock in trade or for sale to customers in the ordinary course of business) is "bond premium." 2000 Bond premium is amortized over the term of such a 2000 Bond for

federal income tax purposes. A Bondholder is required to decrease his basis in such a 2000 Bond by the amount of amortizable bond premium attributable to each taxable year he holds the 2000 Bond. The amount of the amortizable bond premium attributable to each taxable year is determined on an actual basis at a constant interest rate compounded on each interest payment date. The amortizable bond premium attributable to a taxable year is not deductible for federal income tax purposes. Bondholders should consult their own tax advisors with respect to the precise determination for federal tax income purposes of the treatment of bond premium upon sale, redemption or other disposition of such 2000 Bonds and with respect to the state and local consequences of owning and disposing of such 2000 Bonds.

Under the Code, the difference between the principal amount of 2000 Bonds (the "Discount 2000 Bonds") and the initial offering price thereof to the public, excluding bond houses and brokers, at which price a substantial amount of such Discount 2000 Bonds of the same maturity was sold is "original issue discount." Original issue discount represents interest which is excluded from gross income; however, such interest is taken into account for purposes of determining the alternative minimum tax imposed on corporations and may result in the collateral federal tax consequences described above under "TAX MATTERS." Original issue discount will accrue over the term of a Discount 2000 Bond at a constant interest rate compounded actuarially. A purchaser who acquires a Discount 2000 Bond in the initial offering at a price equal to the initial offering price thereof will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period said purchaser holds such 2000 Bond. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of Discount 2000 Bonds which are not purchased in the initial offering price may be determined according to rules which differ from those described above. Owners of Discount 2000 Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, redemption or other disposition of Discount 2000 Bonds and with respect to the state and local tax consequences of owning and disposing of Discount 2000 Bonds.

AGREEMENT BY THE STATE

Under the Act, the State pledges to the holders of any obligations issued thereunder, including the 2000 Bonds, that it will not limit or alter the rights of the issuer of such 2000 Bonds to own, acquire, construct, reconstruct, improve, maintain, operate or furnish the projects subject to the Act or to levy and collect taxes, assessments, rentals, rates, fees, and other charges provided for in the Act and to fulfill the terms of any agreement made with the holders of such 2000 Bonds and that it will not in any way impair the rights or remedies of such holders.

LEGALITY FOR INVESTMENT

The Act provides that the 2000 Bonds are a legal investment for savings banks, banks, trust companies, insurance companies, executors, administrators, trustees, guardians, and other fiduciaries, and for any board, body, agency, instrumentality, county, municipality or other political subdivision of the State, and constitutes a security that may be deposited by banks or trust companies as security for deposits of state, county, municipal or other public funds, or by insurance companies as required or voluntary statutory deposits.

SUITABILITY FOR INVESTMENT

In accordance with applicable provisions of Florida law, the 2000 Bonds may be sold by the District only to "accredited investors" as such term is used in the rules of the Florida Department of Banking and Finance. No dealer, broker, salesman or other person has been authorized by the District or the Underwriter to give any information or make any representations, other than those contained in this Limited Offering Memorandum, and, if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Section 517.051, Florida Statutes, and the regulations promulgated thereunder (the "Disclosure Act") requires that the District make a full and fair disclosure of any bonds or other debt obligations that it has issued or guaranteed and that are or have been in default as to principal or interest at any time after December 31, 1975 (including bonds or other debt obligations for which it has served on as a conduit issuer such as industrial development or private activity bonds issued on behalf of private businesses). Other than as disclosed in the section hereof captioned "1990 BONDS; DEFAULTS," the District is not and has not since December 31, 1975 been in default as to principal and interest on its bonds or other debt obligations.

CONTINUING DISCLOSURE

The Act requires that financial statements of the District be audited by an independent certified public accountant at least once a year. The current fiscal year of the District commences October 1 and the audited financial statements are generally available within 180 days after the end of each fiscal year. The Act further provides that the District's budget for the following fiscal year be adopted prior to October 1 of each year. Meetings of the District's Board of Supervisors are open to the public, and a proposed schedule of meetings for the year is published at the

beginning of each calendar year. Notice of meetings and the agenda for meetings are published prior to each meeting.

The specific nature of the information to be contained in the Annual Report, as well as the circumstances under which other material events are reported, is contained in the form of Continuing Disclosure Agreement set forth in "APPENDIX C - FORM OF CONTINUING DISCLOSURE AGREEMENT" herein. Failure to comply with the requirements of the Continuing Disclosure Agreement may result in an Event of Default under the Indenture. The covenants contained in the Indenture and Continuing Disclosure Agreement have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the 2000 Bonds upon an event of default under the Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including the federal bankruptcy code, the remedies specified by the Indenture and the 2000 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the 2000 Bonds will be qualified, as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery.

LITIGATION

There is no litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the 2000 Bonds, or in any way contesting or affecting the validity of the 2000 Bonds or any proceedings of the District taken with respect to the issuance or sale thereof, or the pledge or application of any moneys or security provided for the payment of the 2000 Bonds, or the existence or powers of the District. See "1990 BONDS; DEFAULTS" contained herein.

RATING

No application for a rating has been made to any rating agency, nor is there any reason to believe that the District would have been successful in obtaining an investment grade rating for the 2000 Bonds had application been made.

UNDERWRITING

Prager, McCarthy & Sealy, LLC (the "Underwriter") has agreed pursuant to a contract with the District, subject to certain conditions, to purchase the 2000 Bonds from the District at a purchase price of par less 1.50%. The Underwriter's obligations are subject to certain conditions precedent and the Underwriter will be obligated to purchase all of the 2000 Bonds if they are purchased. The 2000 Bonds may be offered and sold to certain dealers, banks and others at prices lower than the initial offering prices, and such initial offering prices may be changed from time to time by the Underwriter.

VALIDATION

The 2000 Bonds were validated by final judgment of the Circuit Court of Hillsborough County, Florida, entered on October 4, 1999, the appeal period for this judgment has expired with no appeal being taken.

EXPERTS

Heidt & Associates, Inc. has served as the District Engineer and the inclusion of "APPENDIX E - ENGINEER'S REPORT" attached hereto has been approved by said firm. The Engineer's Report should be read in its entirety for complete information with respect to the subjects discussed therein. Fishkind & Associates, Inc. has served as Financial Advisor to the District with respect to the issuance and delivery of the 2000 Bonds. The Financial Advisor has also prepared "APPENDIX D - ASSESSMENT METHODOLOGY REPORT" attached hereto and its use in this Limited Offering Memorandum is used with the Financial Advisor's permission.

LEGAL MATTERS

Certain legal matters related to the authorization, sale and delivery of the 2000 Bonds are subject to the approval of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel. Certain legal matters will be passed upon for the District by its counsel, Williams, Schifino, Mangione & Steady, P.A., Tampa, Florida and Nabors, Giblin & Nickerson, P.A., Orlando, Florida as disclosure counsel and for the Developer by its counsel, Fowler, White, Gillen, Boggs, Villareal and Banker, P.A., Tampa, Florida.

MISCELLANEOUS

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

The references herein to the 2000 Bonds and other documents referred to herein are brief summaries of certain provisions thereof. Such summaries do not purport to be complete and reference is made to such documents for full and complete statements of such provisions.

This Limited Offering Memorandum is submitted in connection with the sale of the 2000 Bonds and may not be reproduced or used, as a whole or as a part, for any purpose. This Limited Offering Memorandum is not to be construed as a contract with the purchaser or the Owners or Beneficial Owners of any of the 2000 Bonds.

This Limited Offering Memorandum has been duly authorized, executed and delivered by the District.

PARKWAY COMMUNITY DEVELOPMENT DISTRICT

By: _____/s/_____
Chairman, Board of Supervisors

APPENDIX A

FORM OF MASTER TRUST INDENTURE

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MASTER TRUST INDENTURE

**PARKWAY CENTER
COMMUNITY DEVELOPMENT DISTRICT**

TO

FIRST UNION NATIONAL BANK OF FLORIDA

Dated as of May 1, 1990

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

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MASTER TRUST INDENTURE

THIS IS A MASTER TRUST INDENTURE, dated as of May 1, 1990, by and between **PARKWAY CENTER COMMUNITY DEVELOPMENT DISTRICT**, a local unit of special-purpose government organized and existing under the laws of the State of Florida (the "District"), and **First Union National Bank of Florida, St. Petersburg, Florida**, a national banking association existing under the laws of the United States and having the authority to exercise corporate trust powers (the "Trustee").

WHEREAS, the District is a community development district duly organized and existing under the provisions of Chapter 190, Florida Statutes, as amended (the "Act"), for the purpose, among other things, of financing and managing the acquisition, construction, maintenance, and operation of the major infrastructure within the boundaries of the District; and

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

WHEREAS, the District has the power and authority under the Act to issue revenue bonds and to use the proceeds thereof to finance the cost of acquiring and constructing water management and control facilities (as defined in the Act) and, by virtue of Section 190.021 of the Act, to levy and collect Benefit Taxes (hereinafter defined) and Maintenance Taxes (hereinafter defined) therefor; and

WHEREAS, the District has found and determined and does hereby find and determine, that acquisition and construction of the Series Projects (hereafter defined) is and will be necessary and desirable in serving the District's goal of properly managing the acquisition, construction, and operation of portions of the infrastructure within the boundaries of the District;

NOW, THEREFORE, THIS MASTER INDENTURE WITNESSETH:

GRANTING CLAUSES

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

as and for security for the payment of such Series of Bonds and the interest and premium, if any, thereon, and to hold and apply all such property subject to the terms hereof, it being expressly understood and agreed that the Trust Estate established and held hereunder for Bonds of a Series shall be held separate and in trust solely for the benefit of the Owners of the Bonds of such Series and for no other Series;

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

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

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

ARTICLE I DEFINITIONS

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

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

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

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

"Accreted Value" shall mean, as of the date of computation with respect to any Capital Appreciation Bonds, an amount equal to the principal amount of such Bonds (the principal amount at the date of issuance) plus the interest accrued on such Bonds from the date of original issuance of such Bonds to the Interest Payment Date next preceding the date of computation or the date of computation if an Interest Payment Date, such interest to accrue at an approximate rate per annum of the Capital Appreciation Bonds, set forth in the Supplemental Indenture providing for the issuance of such Bonds, compounded on the Interest Payment Dates of each year, plus, with respect to matters related to the payment upon redemption of such Bonds, if such date of computation will not be an Interest Payment Date, a portion of the difference between the Accreted Value as of the immediately preceding Interest Payment Date (or the date of original issuance if the date of computation is prior to the first Interest Payment Date succeeding the date of original issuance) and the Accreted Value as of the

immediately succeeding Interest Payment Date, calculated based on the assumption that Accreted Value accrues during any period in equal daily amounts on the basis of a year of twelve 30-days months. A table of Accreted Values for the Capital Appreciation Bonds will be incorporated in a Supplemental Indenture executed by the District upon issuance of any Capital Appreciation Bonds.

"Act" shall mean Chapter 190, Florida Statutes, as amended.

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

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

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

"Assessments" shall mean all assessments levied and collected by or on behalf of the District pursuant to Section 190.022 of the Act and pursuant to the assessment plat and the assessment roll referred to therein, together with the interest specified by resolution adopted by the Governing Body, the interest specified in Chapter 170 Florida Statutes (1989), if any such interest is collected by or on behalf of the Governing Body, and any applicable penalties collected by or on behalf of the District, together with any and all amounts received by the District from the sale of tax certificates or otherwise from the collection of Delinquent Assessments.

"Authorized Denomination" shall mean the denomination of \$5,000 or any integral multiple thereof.

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

"Benefit Taxes" shall mean taxes levied and collected in accordance with Chapter 190.021(2), Florida Statutes (1989) for bonds to finance water management and control responsibilities undertaken by the District in accordance with Chapter 190.013, Florida Statutes (1989), together with any and all amounts received by the District from the sale of tax certificates or otherwise from the collection of Benefit Taxes which are not paid in full when due.

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

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

"Bond Year" shall mean the period commencing on the second day of November in each year and ending on the first day of November of the following year.

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

"Business Day" shall mean any day on which the Paying Agent is open for the acceptance of deposits.

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

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

"Capitalized Interest Account" means any Capitalized Interest Account to be established within a Series Construction and Acquisition Account by Supplemental Indenture with respect to any Series of Bonds issued under this Master Indenture, as authorized pursuant to this Master Indenture.

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

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

"Collection Agreement" shall mean the agreement referred to in Section 811 below.

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

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

"Consulting Engineers" shall mean King Engineering Associates, Inc. or any other engineering firm or corporation having a favorable repute for skill and experience employed by the District.

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

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

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

"Date of Completion" with respect to a Series Project shall mean: (i) the date upon which the Series Project and all components thereof have been acquired or constructed and are capable of performing the functions for which they were intended, as evidenced by a certificate of the Consulting Engineer filed with the Trustee and the District; or (ii) the date on which the District determines, upon the recommendation of or consultation with the Consulting Engineer, that it cannot complete the Series Project in a sound and economical manner within a reasonable period of time as evidenced by a certificate of the chief engineer of the District filed with the Trustee and the District.

"Debt Service" shall mean collectively the principal, interest, and redemption premium, if any, payable with respect to the Bonds.

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

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

"Depository" shall mean any bank or trust company duly authorized by law to engage in the banking business and designated by the District as a depository of moneys subject to the provisions of this Master Indenture.

"District" shall mean Parkway Center Community Development District, a community development district created pursuant to the Act or any successor thereto which succeeds to the obligations of the District hereunder.

"Federal Securities" means, to the extent permitted by law for investment as contemplated in the Indenture, (i) any direct and general obligations of, or any obligations unconditionally guaranteed by, the United States of America, (ii) any Tax-Exempt Obligations which are fully secured as to principal and interest by an irrevocable pledged of moneys or direct and general obligations of, or obligations unconditionally guaranteed by, the United States of America, which moneys or obligations are segregated in trust and pledged for the benefit of the holders of the Tax-Exempt Obligations, (iii) certificates of ownership of the principal or interest of direct and general obligations of, or obligations guaranteed by, the United States of America, which obligations are held in trust and (iv) investment agreements at least 100% collateralized by obligations described in clauses (i), (ii) and (iii) above.

"Fiscal Year" shall mean the fiscal year of the District in effect from time to time.

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

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

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

"Indenture" shall mean this Master Indenture, as amended and supplemented from time to time by a supplemental indenture or indentures, and, shall mean when used with respect to a Series of Bonds issued hereunder, this Master Indenture, as amended and supplemented by the supplemental indenture relating to such Series of Bonds.

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

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

"Investment Obligations" means and includes any of the following securities, if and to the extent that investment in the securities is permitted by law:

(i) Federal Securities;

(ii) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Government National Mortgage Association, Federal Land Banks, Federal Home Loan Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Tennessee Valley Authority, United States Postal Service, Farmers Home Administration, Export-Import Bank, Federal Financing Bank and Student Loan Marketing Association;

(iii) Bonds, debentures, notes or other evidences of indebtedness issued by the Federal National Mortgage Association to the extent such obligations are guaranteed by the Government National Mortgage Association;

(iv) Negotiable or non-negotiable certificates of deposit issued by any bank, trust company or national banking association, which certificates of deposit, except in the case of certificates of deposit issued by a bank, trust company or national banking association having a capital stock and surplus of more than \$50,000,000, will be continuously secured or collateralized by obligations described in subparagraphs (i), (ii), or (iii) of this definition, which will have a market value (exclusive of accrued interest) at all times at least equal to the

principal amount of such certificates of deposit and will be lodged with the Trustee, as custodian, by the bank, trust company or national banking association issuing such certificates of deposit;

(v) Repurchase agreements with any bank, trust company or national banking association or government bond dealer reporting to the Federal Reserve Bank of New York continuously secured or collateralized by obligations described in subparagraph (i) of this definition, which securities will at all times (a) have a market value (inclusive of accrued interest) not less than that of the repurchase agreement, (b) be held free and clear of claims by third parties, (c) be subject to a perfected first security interest in the collateral in favor of the Trustee and (d) be delivered to the Trustee or its agent, as custodian;

(vi) Annuity Contracts issued by Insurance Companies or Other Financial Institutions; (as used in this clause (vi), "Annuity Contracts" means contracts under which the purchaser agrees to pay money to an Insurance Company or Other Financial Institution, either in a lump sum or installments, and such Insurance Company or Other Financial Institution promises to pay interest on such money at a guaranteed rate for the life of the contract; the term "Annuity Contracts" includes those agreements sometimes referred to as funding agreements or guaranteed investment contracts; as used in this clause (vi), "Insurance Companies or Other Financial Institutions" means insurance companies or other financial institutions (i) whose senior unsecured long-term debt obligations are rated by Moody's or S&P in one of the two highest rating categories for senior, unsecured, uninsured and unguaranteed debt obligations maintained by such rating service, or (ii) whose ability to pay claims is rated in one of the two highest rating categories maintained by A.M. Best Company;

(vii) Commercial paper, other than that issued by bank holding companies, (1) rated at the date of investment in one of the two highest rating categories issued by Moody's or S&P, or (2) issued by corporations which at the date of investment have an outstanding, unsecured, uninsured and unguaranteed debt issue rated in one of the three highest rating categories by Moody's or S&P;

(viii) Municipal bonds rated in one of the three highest rating categories by Moody's or S&P; and

(ix) Other obligations permitted under the laws of the State which are legal investments for the funds of the District.

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

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

"Maintenance Taxes" shall mean taxes and assessments levied and collected pursuant to Chapter 190.021(3), Florida Statutes (1989) for benefits with respect to water management and control responsibilities undertaken by the District in accordance with Chapter 190.013.

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

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

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

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

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

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

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

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

(iv) Bonds paid or deemed to have been paid as provided in this Master Indenture or in a Supplemental Indenture with respect to Bonds of a Series.

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

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

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

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

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

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

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

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

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

(iii) the Amortization Installments with respect to such Series of Bonds, if any, payable in such Bond Year.

"Property Appraiser" shall mean the Property Appraiser of Hillsborough County, Florida, or the person succeeding to his or her principal functions.

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

"Rebate Analyst" shall mean the person or firm selected by the District to calculate the Rebate Amount, which person or firm shall either be a firm of attorneys or independent certified public accountants with expertise in the calculation of the Rebate Amount.

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

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

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

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

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

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

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

"S&P" means Standard & Poor's Corporation, a corporation organized and existing under the laws of the State of New York, its successors and their assigns, and, if such corporation is dissolved or liquidated or no longer performs the functions of a securities rating agency, "S&P" will be deemed to refer to any other nationally recognized securities rating agency designated by the District with the approval of the Trustee.

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

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

"Series" means all of the Bonds authenticated and delivered on original issuance of a stipulated aggregate principal amount in a simultaneous transaction under and pursuant to the same Supplemental Indenture and any Bonds thereafter authenticated and delivered in lieu of or in substitution therefor pursuant to this Master Indenture and such Supplemental Indenture regardless of variations in maturity, interest rate or other provisions. Two or more Series of Bonds may be issued simultaneously under separate Supplemental Indentures, but under this Master Indenture. In addition, if an issue of Bonds is followed by a second issue of Bonds closed within 45 days of the closing of the first issue and the proceeds of the second issue are to be used to pay the Costs of Issuance of the first issue, or to pay for certain costs of a Series Project being financed from the proceeds of the first issue which costs cannot be financed with Tax Exempt Bonds, then the two issues of Bonds will be deemed a single Series for purposes of this Master Indenture.

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

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

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

"Series Pledged Revenues" shall mean the revenues designated as such by Supplemental Indenture and which shall constitute the security for and source of payment of a Series of Bonds and may consist of Assessments, Maintenance Taxes, Benefit Taxes, user fees or other revenues or combinations thereof derived or to be derived by the District in accordance with the Act.

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

"Series Project" shall mean the acquisition, construction, equipping and/or improvement of capital projects to be located within or without the District for the benefit of the District to be financed with all or a part of the proceeds of a Series of Bonds as shall be described in the Supplemental Indenture authorizing such Series of Bonds.

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

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

"Series Reserve Account Requirement" shall mean the amount of money or other security which may be in the form of a reserve fund insurance policy or other security as may be required by the terms of a Supplemental Indenture to be deposited in or credited to a Series Reserve Account for each Series of Bonds.

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

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

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

"Tax Collector" shall mean the Tax Collector of Hillsborough County, Florida, or the person succeeding to his or her principal functions.

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

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

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

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

"Trust Estate" shall have the meaning ascribed to such term in the granting clauses hereof.

"Trustee" shall mean First Union National Bank of Florida, St. Petersburg, Florida, and any successor trustee appointed or serving pursuant to Article VI below.

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

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

ARTICLE II FORM, EXECUTION, DELIVERY AND DESIGNATION OF BONDS

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

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

Debt Service shall be payable in any coin or currency of the United States of America which, at the date of payment thereof, is legal tender for the payment of public and private debts. Interest shall be paid to the registered Owner of Bonds at the close of business on the Record Date for such interest; provided, however, that on or after the occurrence and continuance of an Event of Default under clause (a) of Section 902 hereof, the payment of interest and principal or Redemption Price or Bond Redemption Account Installments pursuant hereto shall be made by the Trustee to such person, who, on a special record date which is fixed by the Trustee, which shall be not more than fifteen (15) and not less than ten (10) days prior to the date of such proposed payment, appears on the registration books of the Registrar as the registered Owner of a Bond. Any payment of principal, Maturity Amount or Redemption Price shall be made only upon presentation of the Bond at the designated corporate trust office of the Paying Agent. Payment of interest shall be made by check or draft (or by wire transfer to the registered Owner if such Owner requests such method of payment 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 owns not less than \$1,000,000 in aggregate principal amount of the Bonds. Unless otherwise provided in the Supplemental Indenture authorizing a Series of Bonds, interest on a Series of Bonds will be computed on the basis of a 360-day year of twelve 30-day months.

Section 203. Execution and Form of Bonds. The Bonds shall be signed by, or bear the facsimile signature of, the Chairman, shall be attested and countersigned by the Secretary, and the certificate of authentication appearing on the face of the Bonds shall be signed by, or bear the facsimile signature of, the Trustee; provided, however, that each Bond shall be manually signed by either the Chairman or the Secretary. A facsimile of the

official seal of the District shall be imprinted on the Bonds. In case any officer whose signature or a facsimile of whose signature appears on any Bond shall cease to be such officer before the delivery of such Bond, such signature or such facsimile shall nevertheless be valid for all purposes the same as if he or she had remained in office until such delivery. Any Bond may bear the facsimile signature of, or may be signed by, such persons as at the actual time of the execution of such Bond shall be proper officers to execute such Bond although at the date of such Bond such persons may not have been such officers. The Bonds, and the provisions for registration and reconversion to be endorsed on such Bonds, shall be substantially in the form set forth in a Supplemental Indenture.

Section 204. Negotiability, Registration and Transfer of Bonds. The District shall cause books for the registration and for the transfer of the Bonds as provided in this Master Indenture to be kept by the Bond Registrar. All Bonds shall be registered as to both principal and interest. Any Bond may be transferred only upon an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar, such transfer to be made on such books and endorsed on the Bond by the Bond Registrar. No charge shall be made to any Owner for registration and transfer as hereinabove provided, but any Owner requesting any such registration or transfer shall pay any tax or other governmental charge required to be paid with respect thereto. The Bond Registrar shall not be required to transfer any Bond during the period of fifteen (15) calendar days next preceding any Interest Payment Date of such Bond nor after such Bond has been selected for redemption. The Bonds shall be and have all the qualities and incidents of negotiable instruments under the laws of the State of Florida, and each successive Owner, in accepting any of the Bonds, shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the laws of the State of Florida.

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

Section 206. Special Obligations. Each Series of Bonds shall be a special and direct obligation of the District. Neither the Bonds nor the interest and premium, if any, payable thereon shall constitute a general obligation or general indebtedness of the District within the meaning of the Constitution and laws of Florida. The Bonds and the interest and premium, if any, payable thereon do not constitute either a pledge of the full faith and credit of the District or a lien upon any property of the District other than as provided herein or in the Supplemental Indenture authorizing the issuance of such Series of Bonds. No Owner or any other person shall ever have the right to compel the exercise of any ad valorem taxing power of the District or any other public authority or governmental body to pay Debt Service or to pay any other amounts required to be paid pursuant to this Master Indenture, any Supplemental Indenture, or the Bonds. Rather, Debt Service and any other amounts required to be paid pursuant to this Master Indenture, any Supplemental Indenture, or the Bonds, shall be payable solely from, and shall be secured solely by, the Pledged Revenues and the Pledged Funds pledged to such Series of Bonds, all as provided herein and in such Supplemental Indenture.

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

Each Series of Bonds, upon initial issuance thereof, shall be delivered to the Trustee, who shall authenticate the Bonds and shall cause the Bonds to be registered and delivered to the initial purchasers, but prior to or simultaneously with the delivery of the Bonds to their initial purchasers there shall be received by the District the following:

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

(b) an executed and attested original of the Supplemental Indenture fixing the amount of and security for the Series of Bonds authorized to be issued thereby and establishing, among other things, the dates on, and the amounts in, which such Series of Bonds will mature (provided that the final maturity date of such Series of Bonds shall be not later than permitted by the Act with respect to such Series of Bonds), designating the Paying Agent and Bond Registrar, fixing the Amortization Installments, if any, for the Term Bonds of such Series, awarding the Series of Bonds, specifying the interest rates or the method for calculating such interest rates with respect to such Series of Bonds, specifying the redemption provisions and prices thereupon, establishing the provisions for Additional Bonds, specifying other details of such Series of Bonds, and directing the delivery of such Series of Bonds to or upon the order of the initial purchaser thereof upon payment of the purchase price therefor set forth in such Supplemental Indenture;

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

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

When the documents mentioned in subsections (a) through (d) above shall have been received, and when the Bonds of such Series shall have been executed and authenticated as required by this Master Indenture, such Series of Bonds shall be delivered to, or upon the order of, the purchasers named in the Supplemental Indenture mentioned in subsection (b) above, but only upon payment to the Trustee of the purchase price of such Series of Bonds, together with accrued interest, if any, thereon.

The proceeds (including accrued interest and any premium) of each Series of Bonds shall be applied by the Trustee as follows:

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

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

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

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

so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits of this Master Indenture and any Supplemental Indenture as the definitive Bonds to be issued hereunder.

Section 209. Mutilated, Destroyed or Lost Bonds. If any Bonds become mutilated or destroyed or lost, the District may cause to be executed, and the District may cause to be delivered, a new Bond in substitution therefor and upon the cancellation of such mutilated Bond, or in lieu of and in substitution for such Bond destroyed or lost, upon payment by the Owner of the reasonable expenses and charges of the District and the Trustee in connection therewith and, in the case of a Bond destroyed or lost, upon the Owner filing with the Trustee evidence satisfactory to it that such Bond was destroyed or lost, and of his or her ownership thereof, and furnishing the District and the Trustee with indemnity satisfactory to them.

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

Section 211. Tax Status of Bonds. Any Series of Bonds issued under this Master Indenture either: (i) may be issued as Tax Exempt Bonds or (ii) may be issued as Taxable Bonds. The intended tax status of any Series of Bonds to be issued may be referenced in any Supplemental Indenture authorizing the issuance of such Series of Bonds.

ARTICLE III REDEMPTION OF BONDS

Section 301. Redemption Generally. The Bonds shall be subject to redemption, either in whole on any date or in part on any Interest Payment Date, and at such times, in the manner and at such prices, as may be provided by the Supplemental Indenture authorizing the issuance of such Series of Bonds.

Unless otherwise provided in the Supplemental Indenture relating to a Series of Bonds, if less than all of the Bonds of any one maturity of a Series shall be called for redemption, the particular Bonds of a Series to be redeemed shall be selected by lot in such reasonable manner as the Paying Agent in its discretion may determine. The portion of any Series of Bonds to be redeemed shall be in an Authorized Denomination and, in selecting the Bonds of such Series to be redeemed, the Paying Agent shall treat each such Bond as representing that number of Bonds of such Series which is obtained by dividing the principal amount of such Bond by an Authorized Denomination (such amount being hereafter referred to as the "unit of principal amount").

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

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

the amounts otherwise required to be deposited for the payment of Bonds of such Series as provided in Section 506(b) hereof or as otherwise be provided in the Supplemental Indenture relating to such Series.

Section 302. Notice of Redemption; Procedure for Selection. Except as provided below, notice of redemption shall be given not less than thirty (30) nor more than forty-five (45) days prior to the date fixed for redemption by first-class mail, postage prepaid, to the registered Owner of each Bond to be redeemed, at the address of such registered Owner on the registration books maintained by the Paying Agent (and, for any Owner of \$1,000,000 or more in principal amount of Bonds, to one additional address if written request therefor is provided to the Paying Agent); and a second notice of redemption shall be sent by registered or certified mail at such address to any Owner who has not submitted his Bond to the Trustee for payment on or before the date sixty (60) days following the date fixed for redemption of such Bond, in each case stating: (i) the numbers of the Bonds to be redeemed, by giving the individual certificate number of each Bond to be redeemed (or stating that all Bonds between two stated certificate numbers, both inclusive, are to be redeemed or that all of the Bonds of one or more maturities have been called for redemption); (ii) the CUSIP numbers of all Bonds being redeemed; (iii) in the case of a partial redemption of Bonds, the principal amount of each Bond being redeemed, (iv) the date of issue of the Bond as originally issued and the complete official name of the Bonds including the series designation; (v) the rate or rates of interest borne by each Bond being redeemed; (vi) the maturity date of each Bond being redeemed; (vii) the place or places where amounts due upon such redemption will be payable; (viii) the notice date, redemption date, and redemption price; and (ix) the name, address, telephone number and contact person at the office of the Paying Agent with respect to such redemption. The notice shall require that such Bonds be surrendered at the principal corporate trust office of the Paying Agent for redemption at the redemption price and shall state that further interest on such Bonds will not accrue from and after the redemption date. CUSIP number identification with appropriate dollar amounts for each CUSIP number also shall accompany all redemption payments.

Any required notice of redemption also shall be sent by registered mail, overnight delivery service or other secure means, postage prepaid, to any Owner of \$1,000,000 or more in aggregate principal amount of Bonds to be redeemed, to certain municipal registered Securities Depositories (described below) which are known to the Paying Agent to be holding Bonds and to at least two of the national Information Services (described below) that disseminate securities redemption notices, when possible, at least five (5) days prior to the mailing of notices required by the first paragraph above, but in any event at least 30 days, but not more than 45 days, prior to the redemption date; provided that neither failure to receive any such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of such Bonds.

Securities Depositories include The Depository Trust Company, 711 Stewart Avenue, Garden City, New York 11530, Fax-(516) 227-4039 or 4190; Midwest Securities Trust Company, Capital Structures-Call Notification, 440 South LaSalle Street, Chicago, Illinois 60605, Fax-(312) 663-2343; Philadelphia Depository Trust Company, Reorganization Division, 1900 Market Street, Philadelphia, Pennsylvania 19103, Attention: Bond Department, Fax-(215) 496-5058; or, in accordance with the then current guidelines of the Securities and Exchange Commission, to such other addresses and/or such other securities depositories or any such other depositories as the District may designate in writing to the Paying Agent.

Information Services include: Financial Information, Inc. "Daily Called Bond Service," 30 Montgomery Street, 10th Floor, Jersey City, New Jersey 07302, Attention: Editor; Kenny Information Services, "Called Bond Service," 55 Broad Street, 28th Floor, New York, New York 10004; Moody's Investors Service "Municipal and Government," 99 Church Street, 8th Floor, New York, New York 10007, Attention: Municipal News Reports; and Standard and Poor's Corporation "Called Bond Record," 25 Broadway, New York, New York 10004; or, in accordance with the then current guidelines of the Securities and Exchange Commission, to such other addresses and/or such other services providing information with respect to called bonds, or any other such services as the District may designate in writing to the Paying Agent.

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

Section 303. Effect of Calling for Redemption. On the date designated for redemption of any Bonds, notice having been filed and mailed in the manner provided above, the Bonds called for redemption shall be due and

payable at the redemption price provided for the redemption of such Bonds on such date and, moneys for payment of the redemption price being held in a separate account by the Paying Agent in trust for the Owners of the Bonds to be redeemed, interest on the Bonds called for redemption shall cease to accrue, such Bonds shall cease to be entitled to any benefit under this Master Indenture, and the Owners of such Bonds shall have no rights in respect thereof, except to receive payment of the redemption price thereof, and interest, if any, accrued thereon to the redemption date, and such Bonds shall no longer be deemed to be Outstanding.

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

ARTICLE IV CONSTRUCTION AND ACQUISITION FUND

Section 401. Construction and Acquisition Fund. A special fund is hereby created and designated the "Construction and Acquisition Fund" which shall be held by the Trustee and to the credit of which there shall be deposited the amounts specified in Section 207 above.

Section 402. Payments From Construction Fund. Payment of the cost of constructing and acquiring the Project not otherwise made pursuant to Section 207 above shall be made from the Construction and Acquisition Fund as herein provided. All such payments shall be subject to the provisions and restrictions set forth in this Article, and the District covenants that it will not request any sums to be paid from the Construction and Acquisition Fund except in accordance with such provisions and restrictions. Moneys in the Construction and Acquisition Fund shall be disbursed by check, voucher, order, draft, certificate or warrant signed by any one or more officers or employees of the Trustee legally authorized to sign such items or by wire transfer to an account specified by the payee.

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

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

(b) *Accrued and Capitalized Interest.* Any interest accruing on the Bonds from their date through the first Interest Payment Date but only to the extent that the payment of such interest from the proceeds of the Bonds is specifically authorized by a Supplemental Indenture.

(c) *Acquisition Expenses.* The costs of acquiring, by purchase or condemnation, all of the land, structures, improvements, rights-of-way, franchises, easements, and other interests in property, whether real or personal, tangible or intangible, which themselves constitute the Project or which are necessary or convenient to acquire and construct the Project.

(d) *Construction Expenses.* All costs incurred for labor and materials, including equipment and fixtures, by contractors, builders, and materialmen in connection with the acquisition and construction of the Project.

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

Section 404. Disposition of Balances in Construction and Acquisition Fund. On the Date of Completion of a Series Project, the balance in the Series Construction and Acquisition Account not reserved for the payment of any remaining part of the Cost of the Series Project shall be transferred by the Trustee to the credit of the

Series Principal Account or the Series Redemption Account, in such amounts to either or both of such Accounts as an Authorized Officer shall instruct the Trustee to transfer.

ARTICLE V ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF

Section 501. Lien. There is hereby irrevocably pledged for the payment of the Bonds of each Series issued hereunder, subject only to the provisions of this Master Indenture and any Supplemental Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Master Indenture and any such Supplemental Indenture with respect to each Series of Bonds the Trust Estate; provided, however, that unless otherwise specifically provided herein or in a Supplemental Indenture relating to a Series of Bonds with respect to the Trust Estate securing such Series of Bonds, the Pledged Funds and Pledged Revenues securing a Series of Bonds shall secure only such Series of Bonds and Bonds issued on a parity therewith and shall not secure any other Bonds or Series of Bonds.

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

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

- (a) Construction and Acquisition Fund, and, within such Fund there may be established by Supplemental Indenture authorizing a Series of Bonds a separate Series Construction and Acquisition Account and a Series Costs of Issuance Account for each Series of Bonds issued hereunder;
- (b) Revenue Fund, and, within such Fund there may be established by Supplemental Indenture authorizing a Series of Bonds a separate Series Revenue Account for each Series of Bonds issued hereunder;
- (c) Debt Service Fund, and within such Fund there may be established by Supplemental Indenture authorizing a Series of Bonds a Series Debt Service Fund and within such Series Debt Service Fund,
 - (i) a Series Interest Account,
 - (ii) a Series Principal Account,
 - (iii) a Series Redemption Account, and
 - (iv) a Capitalized Interest Accountfor each such Series of Bonds issued hereunder;
- (d) Reserve Fund, and, within such Fund there may be established by Supplemental Indenture authorizing a Series of Bonds a separate Series Reserve Account for each such Series of Bonds issued hereunder and any Bonds issued on a parity with any such Series of Bonds hereunder; and
- (e) Rebate Fund, and, within such Fund there may be established by Supplemental Indenture authorizing a Series of Bonds a separate Series Rebate Account for each such Series of Tax Exempt Bonds issued hereunder.

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

Section 503. Construction and Acquisition Fund.

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

- (i)** the amount set forth in Section 207 above and in the Supplemental Indenture relating to such Series of Bonds;
- (ii)** payments made to the District from the sale, lease or other disposition of the Series Project or any portion thereof;
- (iii)** the balance of insurance proceeds with respect to the loss or destruction of the Series Project or any portion thereof; and
- (iv)** such other amounts as may be provided in a Supplemental Indenture.

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

(b) Disbursements. Unless otherwise provided in the Supplemental Indenture authorizing the issuance of such Series of Bonds, payments from a Series Construction and Acquisition Account shall be paid in accordance with the provisions of this subsection (b). Before any such payment shall be made, the District shall file with the Trustee:

(i) a requisition, signed by an Authorized Officer, stating in respect of each payment to be made:

- (A)** the item number of the payment,
- (B)** the name of the person, firm or corporation to whom payment is due,
- (C)** the amount to be paid, and
- (D)** the purpose for which the obligation to be paid was incurred;

(ii) a certificate, signed by an Authorized Officer, certifying:

(A) that obligations in the stated amounts have been incurred by the District, or that the District is otherwise entitled to receive such amount and stating the reasons for such entitlement, that each thereof is a proper charge against the Series Construction and Acquisition Account, that each thereof was incurred in connection with the acquisition and construction of the Series Project and represents a Cost of the Series Project, and has not previously been paid,

(B) that there has not been filed with or served upon the District notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to the persons, firms or corporations named in such requisition, which has not been released or will not be released to the extent of payment of such obligation,

(C) that such requisition contains no item representing payment on account of any retained percentage which the District is at the date of such certificate entitled to retain; and

(iii) a certificate signed by the Consulting Engineer and attached to such requisition, certifying approval thereof.

Upon receipt of each such requisition and accompanying certificate the Trustee shall promptly withdraw from the Series Construction and Acquisition Account and pay to the person, firm or corporation named in such requisition the amount designated in such requisition.

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

(d) **Completion of Series Project.** On the Date of Completion, the balance in the Construction and Acquisition Account not reserved by the District for the payment of any remaining part of the Cost of acquiring or constructing the Series Project shall be transferred by the Trustee to the related Series Redemption Account.

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

Section 505. Debt Service Fund and Series Debt Service Accounts.

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

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

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

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

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

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

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

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

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

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

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

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

(f) **Payment to District.** When no Bonds of a Series remain Outstanding, and after all expenses and charges herein and in the related Supplemental Indenture required to be paid have been paid, the Trustee shall pay any balance in the Series Accounts for such Series of Bonds to the District, free and clear of any lien and pledge created by this Master Indenture; provided, however, that if an Event of Default has occurred and is continuing in the payment of the principal or Maturity Amount of, or interest or premium on the Bonds of any other Series, the Trustee shall pay over and apply any such excess pro rata (based upon the ratio of the aggregate principal amount of such Series to the aggregate principal amount of all Series Outstanding and for which such an Event of Default has occurred and is continuing) to each other Series of Bonds for which such an Event of Default has occurred and is continuing.

Section 506. Optional Redemption.

(a) **Excess Amounts in Series Redemption Account.** The Trustee shall, but only at the written direction of an Authorized Officer, call for redemption on each Interest Payment Date on which Bonds are subject to optional redemption, from moneys on deposit in a Series Redemption Account such amount of Bonds of such Series then subject to optional redemption as, with the redemption premium, if any, will exhaust such amount as nearly as may be practicable; provided, however, that not less than Twenty-five Thousand Dollars (\$25,000.00)

principal amount of Bonds of a Series need be called for redemption at any one time. Such redemption shall be made pursuant to the provisions of Article III. The District shall pay all expenses incurred by the Trustee and Paying Agent in connection with such redemption.

(b) **Purchase of Bonds of a Series.** The District may purchase Bonds of a Series then Outstanding at any time, whether or not such Bonds shall then be subject to redemption, at the most advantageous price obtainable with reasonable diligence, having regard to maturity, option to redeem, rate and price, such price not to exceed the principal of such Bonds plus the amount of the premium, if any, which would be payable on the next redemption date to the Owners of such Bonds under the provisions of this Master Indenture and the Supplemental Indenture pursuant to which such Series of Bonds was issued if such Bonds were called for redemption on such date. Before making each such purchase, the District shall file with the Trustee a statement in writing directing the Trustee to pay the purchase price of the Bonds of such Series so purchased upon their delivery and cancellation, which statement shall set forth a description of such Bonds, the purchase price to be paid therefor, the name of the seller and the place of delivery of the Bonds. The Trustee shall pay the interest accrued on such Bonds to the date of delivery thereof from the related Series Interest Account and the principal portion of the purchase price of Serial Bonds from the related Series Principal Account, but no such purchase shall be made after the Record Date in any Bond Year in which Bonds have been called for redemption. To the extent that insufficient moneys are on deposit in a related Series Interest Account to pay the accrued interest portion of the purchase price of any Bonds or in a related Series Principal Account to pay the principal amount of the purchase price of any Serial Bond, the Trustee shall transfer into such Accounts from the related Series Revenue Account sufficient moneys to pay such respective amounts. In the event that there are insufficient moneys on deposit in the related Series Principal Account with which to pay the principal portion of the purchase price of any Term Bonds, the Trustee may, at the written direction of the District, transfer moneys into such related Series Principal Account from the related Series Revenue Account to pay the principal amount of such purchase price, but only in an amount no greater than the Amortization Installment related to such Series of Bonds coming due in the current Bond Year calculated after giving effect to any other purchases of Term Bonds during such Bond Year. The Trustee may pay the principal portion of the purchase price of Bonds from the related Series Redemption Account, but only upon delivery of written instructions to the Trustee by the District accompanied by a certificate of an Authorized Officer: (i) stating that sufficient moneys are on deposit in the Redemption Account to pay the purchase price of such Bonds; (ii) setting forth the amounts and maturities of Bonds of such Series which are to be redeemed from such amounts; and (iii) containing cash flows which demonstrate that, after giving effect to the purchase of Bonds in the amounts and maturities set forth in clause (ii) above, the Pledged Revenues to be received by the District in the current and each succeeding Bond Year will be sufficient to pay the principal, Maturity Amount and Amortization Installments of and interest on all Bonds of such Series. The Trustee may pay the principal portion of the purchase price of any Term Bonds from the related Series Principal Account, but only Term Bonds of a maturity having Amortization Installments in the current Bond Year and in the principal amount no greater than the Amortization Installment related to such Series of Bonds coming due in the current Bond Year (calculated after giving effect to any other purchases of Term Bonds during such Bond Year). The Trustee may pay the principal portion of the purchase price of Term Bonds having maturities different from or in amounts greater than set forth in the next preceding sentence from amounts on deposit in the related Series Principal Account and the Trustee may transfer moneys from the related Series Revenue Account to the related Series Principal Account for such purpose, but only upon delivery of written instructions to the Trustee by the District accompanied by a certificate of an Authorized Officer: (i) stating that sufficient moneys are on deposit in the Principal Account, after giving effect to any transfers from the related Series Revenue Account, to pay the principal portion of the purchase price of such Term Bonds; (ii) setting forth the amounts and maturities of Term Bonds of such Series which are to be redeemed from such amounts and the Amortization Installments against which the principal amount of such purchases are to be credited; and (iii) containing cash flows which demonstrate that, after giving effect to the purchase of Term Bonds in the amounts and having the maturities and with the credits against Amortization Installments set forth in clause (ii) above and any transfers from the related Series Revenue Account, the Pledged Revenues to be received by the District in the current and in each succeeding Bond Year will be sufficient to pay the principal, Maturity Amount and Amortization Installments of and interest on all Bonds of such Series. If any Bonds are purchased pursuant to this Subsection (b), the principal amount of the Bonds so purchased shall be credited as follows:

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

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

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

Section 507. Rebate Fund and Series Rebate Accounts.

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

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

(c) **Deficiencies.** If the Trustee does not have on deposit in the Series Rebate Account sufficient amounts to make the payments required by this Section, the District shall deposit, from any legally available source, the amount of any such deficiency in the Series Rebate Account immediately upon the request of the Trustee.

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

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

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

(c) **Investment Obligations as a Part of Funds and Accounts.** Investment Obligations purchased as an investment of moneys in any Fund or Account shall be deemed at all times to be a part of such Fund or Account, and the interest accruing thereon and profit realized from such investment shall be credited as provided in Section 510 hereof. Any loss resulting from such investment shall be charged to such Fund or Account. The foregoing notwithstanding, for purposes of investment and to the extent permitted by law, amounts on deposit in any Fund or Account may be commingled for purposes of investment, provided adequate care is taken to account for such amounts in accordance with the prior sentence. The Trustee may, upon the direction of an Authorized Officer, transfer investments within such Funds or Accounts without being required to sell such investments. The

Trustee shall sell at the best price obtainable or present for redemption any obligations so purchased whenever it shall be necessary so to do in order to provide moneys to meet any payment or transfer from any such Fund or Account. The Trustee shall not be liable or responsible for any loss resulting from any such investment or for failure to make an investment (except failure to make an investment in accordance with the direction of an Authorized Officer) or for failure to achieve the maximum possible earnings on investments.

(d) **Valuation.** In computing the assets of any Fund or Account, investments and earnings thereon shall be deemed a part thereof. Such investments, other than in a Series Reserve Account, shall be valued at the par value or the current market value thereof, whichever is lower, or at the redemption price thereof, if then redeemable at the option of the holder. In computing the amount on deposit in a Series Reserve Account, obligations purchased as an investment of moneys therein shall be valued at par if purchased at par or at amortized value if purchased at other than par. Amortized value, when used with respect to an obligation purchased at a premium above or a discount below par, means the value as of any given time obtained by dividing the total premium or discount at which such obligation was purchased by the number of interest payments remaining on such obligation after such purchase and deducting the amount thus calculated for each Interest Payment Date after such purchase from the purchase price in the case of an obligation purchased at a premium and adding the amount thus calculated for each Interest Payment Date after such purchase to the purchase price in the case of an obligation purchased at a discount.

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

At the time of any withdrawal from a Series Reserve Account that results in a deficiency therein, the Trustee shall promptly notify the District of the amount of any such deficiency and the District shall immediately pay the amount of such deficiency to the Trustee, for deposit in such Series Reserve Account, from any legally available sources of the District.

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

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

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

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

(b) if as of the last date on which amounts on deposit in the Series Reserve Account were valued by the Trustee there was a deficiency (as defined in Section 508 above) in the Series Reserve Account, or if after such date withdrawals have been made from the Series Reserve Account and have created such a deficiency, then earnings on investments in the Series Reserve Account shall be deposited to the credit of the Series Reserve

Account until the amount on deposit therein equals the Series Reserve Account Requirement and thereafter shall be deposited to the Series Revenue Account.

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

ARTICLE VI CONCERNING THE TRUSTEE

Section 601. Trustee; Appointment and Acceptance of Duties. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by executing this Master Indenture and any Supplemental Indenture.

Section 602. Responsibilities of Trustee. The recitals of fact contained in this Master Indenture and in the Bonds shall be taken as the statements of the District and the Trustee shall have no responsibility for the correctness of the same. The Trustee shall not be deemed to have made any representations as to the validity or sufficiency of this Master Indenture or of the Bonds or in respect of the security afforded by this Master Indenture. The Trustee shall be under no responsibility or duty with respect to the issuance of the Bonds for value or the application of any moneys paid to the District or for any losses incurred upon the sale or redemption of any securities purchased for or held in any Fund or Account or held in the Rebate Fund. The Trustee shall be under no responsibility or duty with respect to the application of any moneys placed on time deposit, at the direction of the District, with any depository. The Trustee shall not be liable in connection with the performance of its duties hereunder except for its own willful misconduct or gross negligence.

Section 603. Evidence on Which Trustee May Act.

(a) **Reliance on Notices, Resolutions, Etc.** The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, Bond, or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustee in good faith and in accordance therewith.

(b) **Certificate of Authorized Officer.** Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Master Indenture, such matter, unless other evidence in respect thereof be herein specifically prescribed, may be deemed to be conclusively proved and established by a certificate of an Authorized Officer, and such certificate shall be full warrant for any action taken or suffered in good faith under this Master Indenture but in its discretion the Trustee may, in lieu thereof, accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable.

(c) **Execution of Requests, Orders, Etc.** Except as otherwise expressly provided herein, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof by the District to the Trustee shall be sufficiently furnished if executed in the name of the District by an Authorized Officer.

Section 604. Fees, Charges and Expenses of the Trustee. The Trustee shall be entitled to payment or reimbursement of the amounts described in this Section 604 from moneys in the Revenue Fund to the extent provided in Section 505(b) above, and to the extent that amounts on deposit in the Revenue Fund in any Bond Year are insufficient for such purposes, then the Trustee shall be entitled to payment or reimbursement by the District. Notwithstanding the foregoing and the provisions of Section 505(a), if at anytime there has occurred an Event of Default described in Section 902(a) hereof, the Trustee shall be entitled to payment of its fees, charges and expenses, including fees and expenses of counsel to the Trustee from any moneys held by it hereunder in the Funds and Accounts for the benefit of the related Series of Bonds until such time as the Event of Default shall have been cured in accordance with the provisions hereof and of such Supplemental Resolution

or until such Series of Bonds shall no longer remain Outstanding. The Trustee shall be entitled to payment for its ordinary services rendered hereunder in accordance with the schedule of fees agreed upon by the Trustee and the District at or before delivery of the Bonds to their initial purchaser. The Trustee shall be entitled to reimbursement for all advances made by it and for attorneys' fees (including fees on appeal) and other ordinary expenses reasonably and necessarily paid or incurred by the Trustee in connection with such ordinary services. If it becomes necessary for the Trustee to perform extraordinary services, it shall be entitled to reasonable compensation therefor and reimbursement for reasonable and necessary extraordinary expenses in connection therewith; provided, however, that the District may in good faith contest, without creating a default hereunder, the necessity for any such extraordinary services and extraordinary expenses and the reasonableness of any such fees, charges or expenses and, furthermore, if such extraordinary services or extraordinary expenses are occasioned by the neglect or misconduct of the Trustee, the Trustee shall not be entitled to compensation or reimbursement therefor.

Section 605. Certain Permitted Acts. The Trustee may become the owner of any obligations of the District, with the same rights it would have if it were not a Trustee. To the extent permitted by law, the Trustee may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners or the holders of any other obligations of the District or to effect or aid in any reorganization growing out of the enforcement of the Bonds or any other obligations of the District whether or not any such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding.

Section 606. Resignation of Trustee. The Trustee may at any time resign and be discharged of the duties and obligations hereby created by giving not less than 60 days' advance written notice to the District. Such resignation shall take effect upon the day specified in such notice unless a successor shall previously have been appointed by the District as provided in Section 608, in which event such resignation shall take effect upon the effective date of the appointment of such successor.

Section 607. Removal of Trustee. Except during the occurrence and continuance of an Event of Default, the Trustee may be removed at any time, in the sole discretion of the District, by an instrument or concurrent instruments in writing, filed with the Trustee, and signed by the Owners of a majority in principal amount of the Bonds then Outstanding or their attorneys-in-fact duly authorized. The Trustee may also be removed for cause at any time by an instrument in writing filed with the Trustee and signed by an Authorized Officer and pursuant to a resolution of the Governing Body. In each case, the Trustee shall designate a Successor Trustee in any instrument directing the removal of the Trustee.

Section 608. Appointment of Successor Trustee.

(a) **Procedure.** If at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or its property, shall be appointed, or if any public officer or governmental body shall take charge or control of the Trustee, or of its property or affairs, a successor may be appointed by the Owners of a majority in principal amount of the Bonds then Outstanding, by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or by their attorneys-in-fact duly authorized and delivered to the Trustee and to the District; provided, nevertheless, that unless a successor shall have been appointed by the Owners as aforesaid, the District, by resolution, shall forthwith appoint a Trustee to fill such vacancy until a successor Trustee shall be appointed by the Owners as authorized in this Section 608. Any successor Trustee appointed by the District shall, immediately and without further act, be superseded by a Trustee appointed by the Owners.

(b) **Appointment by Court.** If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within 45 days after the Trustee shall have given to the District written notice as provided in Section 607, or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, the Trustee or the Owner of any Bond may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

(c) **Requirements for Appointment.** Any Trustee appointed under the provisions of this Section 608 as a successor Trustee shall be a bank or trust company organized under the laws of any state or a national banking association qualified under the laws of the State as a custodian of public funds, and having a capital and surplus aggregating at least \$50,000,000, if there be such a bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Master Indenture.

Section 609. Transfer of Rights and Property to Successor. Any successor Trustee shall execute, acknowledge and deliver to its predecessor Trustee, and also to the District, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the written request of the District, or of the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under the Resolution and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. If any deed, conveyance or instrument in writing from the District is required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the District. Any such successor Trustee shall promptly notify the Paying Agents of its appointment as Trustee.

Section 610. Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company (a) shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, (b) shall meet the requirements of Section 608(c), and (c) shall be authorized by law to perform all the duties imposed upon it by the Resolution, shall be the successor to the Trustee without the execution or filing of any paper or the performance of any further act.

Section 611. Adoption of Authentication. If any Bonds shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Bonds and deliver such Bonds so authenticated. If any Bonds shall not have been authenticated, any successor Trustee may authenticate such Bonds in its name or in the name of the successor Trustee.

Section 612. Intervention by Trustee. In any judicial proceeding to which the District or any trustee other than the Trustee is a party and which in the opinion of the Trustee has a substantial bearing on the interest of Owners of the Bonds, the Trustee may seek to intervene on behalf of the Owners and shall do so if so requested in writing by the Owners of at least twenty-five percent (25%) in aggregate principal amount of the then Outstanding Bonds and provided that the Trustee has been indemnified as provided in Section 912 hereof.

Section 613. Designation and Successor of Bond Registrar and Paying Agent. Unless the District makes a written designation of a bank or trust company other than the Trustee as Paying Agent or Bond Registrar, the Trustee shall be the sole Paying Agent and Bond Registrar.

If the position of Paying Agent or Bond Registrar shall become vacant for any reason, the Governing Body shall, within thirty (30) days after written notice thereof, appoint a bank or trust company to fill such vacancy. If the Governing Body fails to appoint a successor Paying Agent or Bond Registrar within said period, the Trustee shall make such appointment.

ARTICLE VII FUNDS CONSTITUTE TRUST FUNDS

Section 701. Trust Funds. All amounts on deposit in Series Accounts for the benefit of a Series of Bonds shall:

- (a) be used only for the purposes and in the manner herein and in the Supplemental Resolution relating to such Series of Bonds provided and, pending such application, be held by the Trustee in trust for the benefit of the Owners of such Series of Bonds;
- (b) be irrevocably pledged to the payment of such Series of Bonds;
- (c) be held and accounted for separate and apart from all other funds and accounts, including Series Accounts of other Series of Bonds, and other funds and accounts of the Trustee and the District;
- (d) until applied for the purposes provided herein, be subject to a first lien in favor of the Owners of such Series of Bonds, which lien is hereby created, prior and superior to all other liens now existing or hereafter created; and
- (e) shall not be subject to lien or attachment by any creditor of the Trustee or any creditor of the District or any other Series of Bonds other than the Owners of such Series of Bonds.

ARTICLE VIII COVENANTS AND AGREEMENTS OF THE DISTRICT

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

Section 802. Extension of Payment of Bonds. The District shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time for payment of interest thereon. The time for payment of Bonds of any Series shall be the time prescribed in the Supplemental Indenture relating to such Series of Bonds.

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

Section 804. Power to Issue Bonds and Create a Lien. The District hereby represents to the Trustee and to the Owners that it is and will be duly authorized under all applicable laws to issue the Bonds of each Series, to execute this Master Indenture, to adopt Supplemental Indentures, and to pledge its moneys, securities and funds in the manner and to the extent provided herein. Except as provided herein, the District hereby represents that such moneys, securities and funds of the District are and will be free and clear of any pledge, lien, charge or encumbrance thereon and all action on the part of the District to that end has been and will be duly and validly taken. The Bonds of each Series, this Master Indenture and any Supplemental Indenture are and will be the valid and legally enforceable obligations of the District, enforceable in accordance with their terms except to the extent that enforcement thereof may be subject to bankruptcy and other similar laws affecting creditors' rights generally. The District shall at all times, to the extent permitted by law, defend, preserve and protect the pledge and lien created by this Master Indenture and all the rights of the Owners hereunder against all claims and demands of all other persons whomsoever.

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

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

Notwithstanding the foregoing, the District may dispose of all or any part of a Series Project, other than a Series Project the revenues to be derived from the operation of which are pledged to a Series of Bonds, by gift or dedication thereof to Hillsborough County, Florida or to the State.

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

Section 808. Accounts and Reports.

(a) **Annual Report.** The District shall, within 180 days after the close of each Fiscal Year so long as any Bonds are Outstanding, file with the Trustee, and otherwise as provided by law, a copy of an annual report for such year, accompanied by an Accountant's Certificate, including: (i) statements in reasonable detail of its financial condition as of the end of such Fiscal Year and income and expenses for such Fiscal Year; and (ii) statements of all receipts and disbursements of the Pledged Revenues of each Series of Bonds (unless the Pledged Revenues of such Series are remitted directly to the Trustee pursuant to the first sentence of Section 504 above). The Trustee shall, within 90 days after the close of each Fiscal Year so long as any Bonds are Outstanding, file with the District a summary with respect to each Fund and Account of the deposits thereto and disbursements therefrom during such Fiscal Year and the amounts held therein at the end of such Fiscal Year.

(b) **No Default Certificate.** The District shall file with the Trustee, so long as any Bonds are Outstanding, within 90 days after the close of each Fiscal Year, a certificate of an Authorized Officer stating whether or not, to the knowledge of the signer, the District is in default with respect to any of the covenants, agreements or conditions on its part contained in this Master Indenture and in any Supplemental Indenture and, if so, the nature of such default.

(c) **Inspection.** The reports, statements and other documents required to be furnished by the District to the Trustee and by the Trustee to the District pursuant to any provisions hereof shall be available for inspection by

any Owner at the principal corporate trust office of the Trustee upon the giving of at least five (5) days advance written notice to the Trustee.

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

Section 809. Arbitrage and Other Tax Covenants. The District hereby covenants that it will not take any action, and will not fail to take any action, which action or failure would cause the Tax Exempt Bonds to become "arbitrage bonds" as defined in Section 148 of the Internal Revenue Code of 1986. The District further covenants that it will take all such actions after delivery of any Tax Exempt Bonds as may be required in order for interest on such Tax Exempt Bonds to remain excludable from gross income (as defined in Section 61 of the Internal Revenue Code of 1986) of the Owners. Without limiting the generality of the foregoing, the District hereby covenants that it will, to the extent not remitted by the Trustee, remit to the United States the Rebate Amount at the time and place required by this Master Indenture, any Supplemental Indenture, including any Tax Regulatory Covenants contained therein.

Section 810. Enforcement of Payment of Assessments, Benefit Taxes and Maintenance Taxes. The District will assess, levy, collect or cause to be collected and enforce the payment of Assessments, Benefit Taxes and/or Maintenance Taxes which constitute Pledged Revenues for the payment of any Series of Bonds in the manner prescribed by this Master Indenture, any Supplemental Indenture and all resolutions, ordinances or laws thereunto appertaining; and pay or cause to be paid the proceeds of Assessments and/or Maintenance Taxes as received to the Trustee.

Section 811. Method of Collection of Assessments, Benefit Taxes and Maintenance Taxes. Pursuant to the procedures set forth in Section 197.363, Florida Statutes (1989), the District will use its best efforts to enter into a written agreement (the "Collection Agreement") with the Property Appraiser, pursuant to which the Property Appraiser will agree to list on the assessment roll for each of the subsequent tax years any Assessments which are pledged to the payment of any Series of Bonds, to include in the notice of proposed property taxes the dollar amount of such Assessments and to include on the tax notice issued pursuant to Section 197.322, Florida Statutes, the dollar amount of such Assessments. The District will agree to provide by not later than September 15 of each year (or such earlier date as shall be required by the Tax Collector or the Property Appraiser) the amount of any such Assessment to be levied against each parcel in the District. The term of the Collection Agreement will be twenty (20) years from the date of the issuance of the Series of Bonds to which such Assessments are pledged. If the District is unable to enter into the Collection Agreement despite use of its best efforts to do so, then the District covenants that the Assessments will be levied and collected by it in the manner prescribed by law. The District shall also comply with the provisions of Chapter 190.021(3), Florida Statutes (1989) with respect to Maintenance Taxes and Chapter 190.021(2), Florida Statutes (1989) with respect to Benefit Taxes in order to cause the Property Appraiser to include the notice of Maintenance Taxes and Benefit Taxes which are pledged to the payment of any Series of Bonds to be included in the notice of proposed property taxes and on the tax notice issued pursuant to Section 197.322, Florida Statutes. The District shall also use its best efforts to assure that any Assessments, Benefit Taxes or Maintenance Taxes pledged to any Series of Bonds collected by the Tax Collector will be remitted by the Tax Collector directly to the Trustee for deposit into the related Series Revenue Account. If the Tax Collector is unwilling to remit Assessments, Benefit Taxes or Maintenance Taxes collected by him directly to the Trustee, then the District shall, not later than one (1) Business Day following its receipt of each installment of Assessments, Benefit Taxes or Maintenance Taxes paid to it by the Tax Collector, remit the entire amount so collected to the Trustee for deposit into the related Series Revenue Account. If payments of Assessments, Benefit Taxes or Maintenance Taxes are remitted by the Tax Collector to the District, the District agrees to give such consents and to take such other steps as may be necessary to permit the Trustee, in its discretion, to obtain information from the Tax Collector concerning the amount and date of each such payment of Assessments, Benefit Taxes or Maintenance Taxes to the District.

Section 812. Delinquent Assessments, Benefit Taxes or Maintenance Taxes. If the owner of any lot or parcel of land shall be delinquent in the payment of any Assessment, Benefit Tax or Maintenance Tax pledged to a Series of Bonds, then such Assessment, Benefit Tax or Maintenance Tax shall be collected pursuant to the

provisions of Chapters 170 and 197, Florida Statutes (1989), including but not limited to the sale of tax certificates and tax deed as regards such Delinquent Assessment, Benefit Tax or Maintenance Tax. In the event the provisions of Chapter 197, Florida Statutes, are inapplicable, then upon the delinquency of any Assessment, Benefit Tax or Maintenance Tax the District either on its own behalf, or through the actions of the Trustee, may, but is not obligated to, declare the entire unpaid balance of such Assessment, Benefit Tax or Maintenance Tax to be in default and, at its own expense, cause such delinquent property to be foreclosed in the same method now or hereafter provided by law for the foreclosure of mortgages on real estate, or pursuant to the provisions of Chapter 173, and Sections 190.026 and 170.10, Florida Statutes, or otherwise as provided by law. The District further covenants to furnish, at its expense, to any Owner of Bonds of the related Series so requesting, sixty (60) days after the due date of each annual installment, a list of all Delinquent Assessments, together with a copy of the District's annual audit, and a list of foreclosure actions currently in progress and the current status of such Delinquent Assessments.

Section 813. Deposit of Proceeds from Sale of Tax Certificates. If any tax certificates relating to Delinquent Assessments, Benefit Taxes or Maintenance Taxes which are pledged to a Series of Bonds are sold by the Tax Collector pursuant to the provisions of Section 197.432, Florida Statutes (1989), or if any such tax certificates are not sold but are later redeemed, the proceeds of such sale or redemption (to the extent that such proceeds relate to the Assessments, Benefit Taxes or Maintenance Taxes), less any commission or other charges retained by the Tax Collector, shall, if paid by the Tax Collector to the District, be paid by the District to the Trustee not later than one (1) Business Day following receipt of such proceeds by the District and shall be deposited by the Trustee to the credit of the related Series Revenue Fund or, if such proceeds are paid directly to the Trustee by the Tax Collector, shall be deposited by the Trustee to the credit of the related Series Revenue Fund.

Section 814. Sale of Tax Deed or Foreclosure of Assessment or Maintenance Tax Liens. If any property shall be offered for sale for the nonpayment of any Assessment or Maintenance Tax which is pledged to a Series of Bonds, and no person or persons shall purchase such property for an amount equal to the full amount due on the Assessment or Maintenance Tax (principal, interest, penalties and costs, plus attorneys' fees, if any), the property shall then be purchased by the District for an amount equal to the balance due on the Assessment or Maintenance Tax (principal, interest, penalties and costs, plus attorneys' fees, if any), from any legally available funds of the District and the District shall receive in its corporate name title to the property for the benefit of the Owners of the Series of Bonds to which such Assessments, Benefit Taxes or Maintenance Taxes were pledged. The District, either through its own actions, or actions caused to be taken through the Trustee, shall have the power and shall lease or sell such property, and deposit all of the net proceeds of any such lease or sale into the related Series Revenue Fund. Not less than ten (10) days prior to the filing of any foreclosure action as herein provided, the District shall cause written notice thereof to be mailed to any designated agents of the Owners of the related Series of Bonds. Not less than thirty (30) days prior to the proposed sale of any lot or tract of land acquired by foreclosure by the District, it shall give written notice thereof to such representatives. The District, either through its own actions, or actions caused to be taken through the Trustee, agrees that it shall be required to take the measures provided by law for sale of property acquired by it as trustee for the Owners of the related Series of Bonds within thirty (30) days after the receipt of the request therefor signed by the Trustee or the Owners of at least fifteen percent (15%) in aggregate principal amount of the Outstanding Bonds of such Series.

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

Section 816. General. The District shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the District under law and this Master Indenture, in accordance with the terms of such provisions.

Upon the date of issuance of each Series of Bonds, all conditions, acts and things required by law and this Master Indenture and any Supplemental Indenture to exist, to have happened and to have been performed

precedent to and in the issuance of such Series of Bonds shall exist, have happened and have been performed and the issue of such Series of Bonds shall be within every debt and other limit prescribed by the laws of the State of Florida applicable to the District.

ARTICLE IX EVENTS OF DEFAULT AND REMEDIES

Section 901. Extension of Interest Payment. If the time for payment of interest of a Bond of any Series shall be extended, whether or not such extension be by or with the consent of the District, such interest so extended shall not be entitled in case of default hereunder to the benefit or security of this Master Indenture unless the aggregate principal amount of all Bonds of such Series then Outstanding and of all accrued interest the time for payment of which shall not have been extended shall have previously been paid in full.

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

- (a) Any payment of Debt Service on such Series of Bonds is not made when due;
- (b) The District shall for any reason be rendered incapable of fulfilling its obligations hereunder or under the Supplemental Indenture relating to such Series of Bonds;
- (c) The District admits in writing its inability to pay its debts generally as they become due, or files a petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of a receiver or trustee for itself or for the whole or any part of a related Series Project;
- (d) The District is adjudged insolvent by a court of competent jurisdiction, or is adjudged a bankrupt on a petition in bankruptcy filed against the District, or an order, judgment or decree be entered by any court of competent jurisdiction appointing, without the consent of the District, a receiver or trustee of the District or of the whole or any part of its property and if the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within ninety (90) days from the date of entry thereof;
- (e) The District shall file a petition or answer seeking reorganization or any arrangement under the Federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof;
- (f) Under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the District's assets or any part thereof, and such custody or control shall not be terminated within ninety (90) days from the date of assumption of such custody or control; or
- (g) The District shall default in the due and punctual performance of any of the covenants, conditions, agreements and provisions contained in the Bonds of such Series or in this Master Indenture or in the Supplemental Indenture relating to such Series of Bonds on the part of the District to be performed (other than a default in the payment of Debt Service on the related Series of Bonds when due, which is an event of default under subsection (a) above) and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the District by the Trustee or, if the Trustee is unwilling or unable to act, by Owners of not less than ten per centum (10%) in aggregate principal amount of the Bonds of such Series then Outstanding.

Section 903. Acceleration of Maturities of Bonds of a Series. Upon the happening and continuance of any event of default specified in Section 902 above with respect to a Series of Bonds, the Trustee or, if the Trustee is unwilling or unable to act, the Owners of not less than fifty-one percent (51%) of the aggregate principal amount of the Bonds of such Series then Outstanding may, by a notice in writing to the District, declare the aggregate principal amount of all of the Bonds of such Series then Outstanding (if not then due and payable) to be due and payable immediately and, upon such declaration, the same shall become and be immediately due and payable, anything contained in the Bonds of such Series or in this Master Indenture or in the Supplemental Indenture authorizing such Series to the contrary notwithstanding; provided, however, that if at any time after

the aggregate principal amount of the Bonds of any Series then Outstanding shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Master Indenture or the related Supplemental Indenture, moneys shall have accumulated in the related Series Revenue Fund sufficient to pay the principal of all matured Bonds of such Series and all arrears of interest, if any, upon all Bonds of such Series then Outstanding (except the aggregate principal amount of any Bonds of such Series then Outstanding that is only due because of a declaration under this Section, and except for the interest accrued on the Bonds of such Series since the last Interest Payment Date), and all amounts then payable by the District hereunder shall have been paid or a sum sufficient to pay the same shall have been deposited with the Paying Agent, and every other default (other than a default in the payment of the aggregate principal amount of the Bonds of such Series then Outstanding that is due only because of a declaration under this Section) shall have been remedied, then the Trustee or, if the Trustee is unable or unwilling to act, the Owners of not less than 51% of the aggregate principal amount of the Bonds of such Series then Outstanding not then due except by virtue of a declaration under this Section, may, by written notice to the District, rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

Section 904. Enforcement of Remedies. Upon the happening and continuance of any Event of Default specified in Section 902 above with respect to a Series of Bonds, the Trustee or, if the Trustee is unwilling or unable to act, the Owners of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds of such Series then Outstanding may protect and enforce the rights of the Owners of the Bonds of such Series under Florida law, and under this Master Indenture, the related Supplemental Indenture and the Bonds of such Series, by such proceedings in equity or at law, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein or in the related Supplemental Indenture granted or for the enforcement of any proper legal or equitable remedy, as the Trustee or the Owners of such Series of Bonds, as the case may be, shall deem most effectual to protect and enforce such rights.

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

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

First: to the payment of any then-due fees and expenses of the Trustee to the extent not otherwise paid.

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

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

(b) If the aggregate principal amount of all the Bonds of a Series shall have become due and payable in accordance with their terms or shall have been declared due and payable pursuant to the provisions of Section 903 of this Article, all such moneys shall be applied to the payment of the whole amount of principal and interest then due and unpaid upon the Bonds of such Series, without preference or priority of principal or of interest or of any installment of interest over any other installment of interest, or of any Bond over any other Bond of such Series, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds of such Series.

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

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

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

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

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

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

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

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

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

Section 912. Indemnification. Other than to make proper draws under a Credit Facility, the Trustee shall be under no obligation to institute any suit or to take any remedial proceeding under this Master Indenture or any Supplemental Indenture or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to advance its own money, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability.

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

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

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

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

ARTICLE XI SUPPLEMENTAL INDENTURES

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

(a) to provide for the initial issuance of a Series of Bonds or refunding bonds of a Series, or, to provide for the issuance of Additional Bonds of a Series provided that such Additional Bonds satisfy the requirements set forth in the Supplemental Indenture relating to the original Series of Bonds to which such Additional Bonds relate; or

(b) to make any change whatsoever to the terms and provisions of this Master Indenture, but only as such change relates to a Series of Bonds upon the original issuance thereof (or upon the original issuance of refunding bonds of a Series which defease and discharge the Supplemental Indenture of the Series of Bonds to be refunded) under and pursuant to the terms of the Supplemental Indenture effecting such change; or

(c) to cure any ambiguity or formal defect or omission or to correct any inconsistent provisions in this Master Indenture; or

(d) to grant to the Owners or to the Trustee on behalf of the Owners any additional rights or security that may lawfully be granted;

(e) to add to the covenants and agreements of the District in this Master Indenture other covenants and agreements thereafter to be observed by the District;

(f) to make such changes as may be necessary in order to reflect amendments to Chapters 170, 190 and 298, Florida Statutes (1989), so long as, in the opinion of counsel to the District, such changes either: (i) do not have a material adverse effect on the Owners of each Series of Bonds to which such changes relate; or (ii) if such changes do have a material adverse effect, that they nevertheless are required to be made as a result of such amendments; or

(g) to modify the provisions of this Master Indenture or any Supplemental Indenture provided that such modification does not, in the written opinion of Bond Counsel, materially adversely affect the interests of the Owners of the Bonds Outstanding.

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

(a) an extension of the maturity of, or an extension of the Interest Payment Date on, any Bond;

(b) a reduction in the principal, premium, or interest on any Bond;

(c) a preference or priority of any Bond over any other Bond; or

(d) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indenture.

In addition to the foregoing, the Owners of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds of any Series then Outstanding shall have the right, from time to time, anything contained in this Master Indenture or in the Supplemental Indenture relating to such Series of Bonds to the contrary notwithstanding, to consent to and approve the adoption of such indentures supplemental to the Supplemental Indenture relating to such Series of Bonds or amendatory thereof, but not hereof, as shall be deemed desirable by the District for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the provisions of such Supplemental Indenture or of any supplemental indenture; provided, however, that nothing herein contained shall permit, or be construed as permitting, without the consent of all Owners of Bonds of such Series then Outstanding,

(a) an extension of the maturity of, or an extension of the Interest Payment Date on, any Bond of such Series;

(b) a reduction in the principal, premium, or interest on any Bond of such Series;

(c) a preference or priority of any Bond of such Series over any other Bond of such Series; or

(d) a reduction in the aggregate principal amount of the Bonds of such Series required for consent to such indenture supplemental to the Supplemental Indenture.

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

Whenever, at any time within one year after the date of the first mailing of such notice, there shall be delivered to the District an instrument or instruments in writing purporting to be executed by the Owners of the requisite principal amount of the Bonds Outstanding, which instrument or instruments shall refer to the proposed supplemental indenture described in such notice and shall specifically consent to and approve the execution thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Governing Body and the Trustee may approve such supplemental indenture and cause it to be executed, in substantially such form, without liability or responsibility to any Owner.

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

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

Section 1105. *Insurer or Issuer of a Credit or Liquidity Facility as Owner of Bonds.* As long as a Credit or Liquidity Facility securing all or a portion of the Bonds of a Series Outstanding is in effect, the issuer of the Credit or Liquidity Facility or the Insurer, to the extent so authorized in the applicable Supplemental Indenture, will be deemed to be the Owner of the Bonds of such Series secured by the Credit or Liquidity Facility: (i) at all times for the purpose of the execution and delivery of a Supplemental Indenture or of any amendment, change or modification of the Indenture or the applicable Supplemental Indenture or the initiation by Owners of any action to be undertaken by the Trustee at the Owner's request, which under the Indenture or the applicable Supplemental Indenture requires the written approval or consent of or can be initiated by the Owners of at least a majority in principal amount of the Bonds of the Series at the time Outstanding; (ii) at all times for the purpose of the mailing of any notice to Owners under the Indenture or the applicable Supplemental Indenture; and (iii) following an Event of Default for all other purposes. Notwithstanding the foregoing, neither an Insurer nor the issuer of a Credit or Liquidity Facility with respect to a Series of Bonds will not be deemed to be an Owner of the Bonds of such Series with respect to any such Supplemental Indenture or of any amendment, change or modification of the Indenture which would have the effect of permitting: (i) a change in the terms of redemption or maturity of any Outstanding Bonds or of any installment of interest thereon; or (ii) a reduction in the principal amount or the Redemption Price thereof or in rate of interest thereon or (iii) reducing the percentage or otherwise affecting the classes of Bonds the consent of the Owners of which is required to effect any such modification or amendment.

ARTICLE XII DEFEASANCE

Section 1201. Defeasance and Discharge of the Lien of this Master Indenture and Supplemental Indentures. (a) If the District pays or causes to be paid, or there shall otherwise be paid, to the Owners of all Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon and the obligations under any Letter of Credit Agreement and any Liquidity Agreement, at the times and in the manner stipulated therein and in this Master Indenture and any Letter of Credit Agreement and any Liquidity Agreement then the lien of this Master Indenture and all covenants, agreements and other obligations of the District to the Owners and the issuer of any Credit Facility or Liquidity Facility shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall cause an accounting for such period or periods as shall be requested by the District to be prepared and filed with the District and, upon the request of the District shall execute and deliver to the District all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee and the Paying Agents shall pay over or deliver, as directed by the District, all moneys or securities held by them pursuant to this Master Indenture which are not required for the payment of principal or Redemption Price, if applicable, on Bonds not theretofore surrendered for such payment or redemption or for payment of obligations under any Letter of Credit Agreement and any Liquidity Agreement. If the District pays or causes to be paid, or there shall otherwise be paid, to the Owners of all Outstanding Bonds or of a particular maturity, of a particular Series or of any part of a particular maturity or Series the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Master Indenture, such Bonds shall cease to be entitled to any lien, benefit or security under this Master Indenture, and all covenants, agreements and obligations of the District to the Owners of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied. Anything to the contrary in this Section 1201 notwithstanding, this Master Indenture shall not be discharged nor shall any Bonds with respect to which moneys or Federal Securities have been deposited in accordance with the provisions of this Section 1201 cease to be entitled to the lien, benefit or security under this Master Indenture, except to the extent that the lien, benefit and security of this Master Indenture and the obligations of the District hereunder shall be limited solely to and such Bonds shall be secured solely by and be payable solely from the moneys or Federal Securities so deposited.

(b) Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Trustee (through deposit pursuant to this Master Indenture of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in this Section. All Outstanding Bonds of any particular maturity or Series shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section 1201 if: (i) in case any of such Bonds are to be redeemed on any date prior to their maturity, the District shall have given to the Trustee or the Registrar irrevocable instructions accepted in writing by the Trustee or the Registrar to mail as provided in Article IV notice of redemption of such Bonds on such date; (ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Federal Securities, the principal of and the interest on which when due shall provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on or prior to the redemption date or maturity date thereof, as the case may be; and (c) the District shall have given the Trustee or the Registrar in form satisfactory to it irrevocable instructions to mail, postage prepaid, to each registered Owner of Bonds then Outstanding at the address, if any, appearing upon the registry books of the District, a notice to the registered Owners of such Bonds and to the Registrar that the deposit required by (ii) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this Section 1201 and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or redemption price, if applicable, on such Bonds. Neither Federal Securities nor moneys deposited with the Trustee pursuant to this Section 1201 nor principal or interest payments on any such Federal Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or redemption price, if applicable, and interest on such Bonds; provided that any cash received from such principal or interest payments on such Federal Securities deposited with the Trustee: (i) to the extent such cash shall not be required at any time for such purpose as determined by the Trustee, and to the extent all obligations under any Letter of Credit Agreement or any Liquidity Agreement are satisfied, as determined by an Insurer or an issuer of any Credit Facility and any

Liquidity Facility, shall be paid over upon the direction of the District as received by the Trustee, free and clear of any trust, lien, pledge or assignment securing such Bonds or otherwise existing under this Master Indenture; and (ii) to the extent such cash shall be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Federal Securities maturing at times and in amounts sufficient to pay when due the principal or redemption price, if applicable, and interest to become due on such Bonds, or obligations under any Letter of Credit Agreement or any Liquidity Agreement, on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over as received by the Trustee to the County, free and clear of any lien, pledge or security interest securing such Bonds or otherwise existing under this Master Indenture. For the purposes of this provision, Federal Securities means and includes only such securities which shall not be subject to redemption prior to their maturity other than at the option of the holder thereof.

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

(d) Notwithstanding any of the provisions of this Master Indenture to the contrary, Option Bonds may only be fully discharged and satisfied either pursuant to subsection (a) above or by depositing in the Series Interest Account, the Series Principal Account and the Series Redemption Account, or in such other accounts which are irrevocably pledged to the payment of the Option Bonds, as the District may create and establish by Supplemental Indenture, moneys which together with other moneys lawfully available therefor shall be sufficient at the time of such deposit to pay when due the maximum amount of principal of and redemption price, if any, and interest on such Option Bonds which could become payable to the Owners of such Bonds upon the exercise of any options provided to the Owners of such Bonds; provided however, that if, at the time a deposit is made pursuant to this subsection (d), the options originally exercisable by the Owner of an Option Bond are no longer exercisable, such Bond shall not be considered an Option Bond for purposes of this subsection (d). If any portion of the moneys deposited for the payment of the principal of and redemption price, if any, and interest on Option Bonds is not required for such purpose and is not needed to reimburse an Insurer or an issuer of any Credit Facility or Liquidity Facility, for obligations under any Letter of Credit Agreement or any Liquidity Agreement, the District may use the amount of such excess free and clear of any trust, lien, security interest, pledge or assignment securing such Option Bonds or otherwise existing under this Master Indenture or any Letter of Credit Agreement or Liquidity Agreement.

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

(f) In the event that the principal and redemption price, if applicable, and interest due on the Bonds shall be paid by the Insurer pursuant to a municipal bond insurance policy, the assignment and pledge and all covenants, agreements and other obligations of the District to the Owners of such Bonds shall continue to exist and the Insurer shall be subrogated to the rights of such Owners.

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

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

ARTICLE XIII MISCELLANEOUS PROVISIONS

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

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

No covenants, stipulation, obligation or agreement herein contained shall be deemed to be a covenant, stipulation, obligation or agreement of any member, agent or employee of the Governing Body in his or her individual capacity, and neither the members of the Governing Body nor any official executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

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

To the District, addressed to:

District Manager
Parkway Center Community Development District
10300 Northwest Eleventh Manor
Coral Springs, Florida 33065

Chairman, Board of Supervisors
Parkway Center Community Development District
c/o Grasser & Associates, Inc.
4300 W. Cypress, Suite 750
Tampa, Florida 33607

To the Trustee, addressed to:

First Union National Bank of Florida
31 Fourth Street South
St. Petersburg, Florida 33701
Attention: Corporate Trust Department
Telephone: 813-892-7348
Telecopy: 813-822-0383

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

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

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

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

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

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

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

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

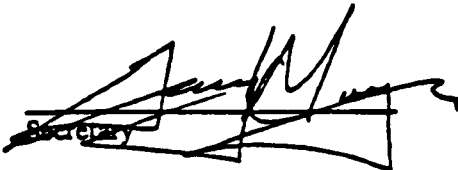
Section 1310. Effective Date. This Master Indenture shall be effective as of the date first above-written.

SEAL

PARKWAY CENTER COMMUNITY
DEVELOPMENT DISTRICT

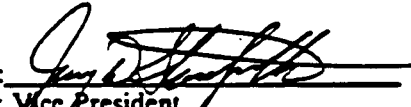
ATTEST:

By: 
Chairman, Board of Supervisors


Secretary

SEAL

FIRST UNION NATIONAL BANK OF FLORIDA,
as Trustee

By: 
Its: Vice President

ACKNOWLEDGMENT OF CHAIRMAN OF DISTRICT

STATE OF NEW YORK

COUNTY OF NEW YORK

I the undersigned Notary Public, in and for said County and in said State, hereby certify that Paul R. Grasser whose name as Chairman of the Board of Supervisors of Parkway Center Community Development District, is known to me, acknowledged before me on this day that, being informed of the contents of the Master Trust Indenture, dated as of May 1, 1990, between the District and First Union National Bank of Florida, as trustee, he as such officer and with full authority, executed the same as such officer and with full authority, executed the same voluntarily for and as the act of said Board.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 2nd day of May, 1990.

Carol A. Fabrizio
Notary Public

My Commission Expires:

CAROL A. FABRIZI
NOTARY PUBLIC, State of New York
No. 41-4673206
Qualified in Queens County
Certificate Filed in New York County
Commission Expires June 30, 1992

ACKNOWLEDGMENT OF SECRETARY OF DISTRICT

STATE OF NEW YORK

COUNTY OF NEW YORK

I the undersigned Notary Public, in and for said County and in said State, hereby certify that Gary L. Moyer, whose name as Secretary of the Board of Supervisors of Parkway Center Community Development District, is known to me, acknowledged before me on this day that, being informed of the contents of the Master Trust Indenture, dated as of May 1, 1990, between the District and First Union National Bank of Florida, as trustee, he as such officer and with full authority, executed the same as such officer and with full authority, executed the same voluntarily for and as the act of said Board, and that the seal affixed thereto is the seal of said District.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 2nd day of May, 1990.

Carol A. Fabrizio
Notary Public

My Commission Expires:

CAROL A. FABRIZI
NOTARY PUBLIC, State of New York
No. 41-4673206
Qualified in Queens County
Certificate Filed in New York County
Commission Expires June 30, 1992

ACKNOWLEDGMENT OF TRUSTEE

STATE OF NEW YORK

COUNTY OF NEW YORK

I the undersigned Notary Public, in and for said County and in said State, hereby certify that Jerry D. Stanforth, whose name as Corporate Trust Officer of First Union National Bank of Florida, St. Petersburg, Florida, a national banking association, duly organized and existing under and by virtue of the laws of the United States, is known to me, acknowledged before me on this day that, being informed of the contents of the Master Trust Indenture, dated as of May 1, 1990, between the District and First Union National Bank of Florida, as trustee, he as such officer and with full authority, executed the same as such officer and with full authority, executed the same voluntarily for and as the act of said Trustee.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 2nd day of May, 1990.

Carol A. Fabrizi
Notary Public

My Commission Expires:

CAROL A. FABRIZI
NOTARY PUBLIC, State of New York
No. 41-4673206
Qualified in Queens County
Certificate Filed in New York County
Commission Expires June 30, 1992

APPENDIX B

FORM OF OPINION OF BOND COUNSEL

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**FORM OF OPINION OF NABORS, GIBLIN & NICKERSON, P.A.,
WITH RESPECT TO THE 2000 BONDS**

Upon delivery of the 2000 Bonds in definitive form, Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, proposes to render its opinion with respect to such 2000 Bonds in substantially the following form:

[Date of Closing]

Board of Supervisors
Parkway Center Community
Development District

Re: \$3,405,000 Parkway Center Community Development District
 Special Assessment Revenue Bonds, Series 2000A and
 \$26,595,000 Parkway Center Community Development District
 Special Assessment Revenue Bonds, Series 2000B

We have served as bond counsel in connection with the issuance by Parkway Center Community Development District (the "District"), a community development district established and existing pursuant to Chapter 190, Florida Statutes, as amended (the "Act"), of its \$3,405,000 Special Assessment Revenue Bonds, Series 2000A (the "2000A Bonds") and \$26,595,000 Special Assessment Revenue Bonds, Series 2000B (the "2000B Bonds") (collectively, the 2000A Bonds and the 2000B Bonds are hereinafter referred to as the "2000 Bonds"). The Bonds are being issued under and pursuant to the Constitution and laws of the State of Florida, a Master Trust Indenture (the "Master Indenture"), dated as of May 1, 1990 and a Sixth Supplemental Trust Indenture, dated as of April 1, 2000 (collectively, the Master Indenture as amended and supplemented by the First Supplemental Indenture is hereinafter referred to as the "Indenture"), each from the District to First Union National Bank, Miami, Florida, as trustee (the "Trustee") and resolutions adopted by the Board of Supervisors of the District on July 20, 1999 and April 27, 2000 (collectively, the "Bond Resolution"). The 2000 Bonds are issued in an aggregate principal amount of \$30,000,000, for the purpose of: (i) refunding and redeeming all of the Outstanding principal amount of \$21,105,000 Parkway Center Community Development District, Special Assessment Refunding Bonds, Series 1997 (the "1997 Bonds"); (ii) financing the Cost of acquiring, constructing and equipping assessable improvements (the "2000 Project"); (iii) paying certain costs associated with the issuance of the 2000

Bonds; (iv) making a deposit into the 2000A Reserve Account and the 2000B Reserve Account for the benefit of all of the 2000 Bonds; and (v) paying a portion of the interest to become due on the 2000 Bonds. The 2000 Bonds were validated by final judgment of the Circuit Court of Hillsborough County, Florida, rendered on October 4, 1999, the appeal period for which has expired with no appeal having been taken. The 2000 Bonds are payable from and secured by Assessments (as defined in the Indenture) on property within the District specially benefitted by the assessable improvements financed with the proceeds of the 2000 Bonds and the 1997 Bonds and also by the 2000 Pledged Revenues and 2000 Pledged Funds comprising the 2000 Trust Estate. We have examined the law and such certified proceedings and other papers as we have deemed necessary to render this opinion. Unless the context indicates otherwise, all terms not otherwise defined herein shall have the meaning ascribed to such terms in the Indenture.

The 2000 Bonds recite that neither the 2000 Bonds nor the interest and premium, if any, payable thereon shall constitute a general obligation or general indebtedness of the District within the meaning of the Constitution and laws of the State of Florida. The 2000 Bonds and the interest and premium, if any, payable thereon do not constitute either a pledge of the full faith and credit of the District or a lien upon any property of the District other than as provided in the Indenture authorizing the issuance of the 2000 Bonds. No Owner or any other person shall ever have the right to compel the exercise of any ad valorem taxing power of the District or any other public authority or governmental body to pay debt service or to pay any other amounts required to be paid pursuant to the Indenture or the 2000 Bonds. Rather, debt service and any other amounts required to be paid pursuant to the Indenture or the 2000 Bonds, shall be payable solely from, and shall be secured solely by the 2000 Pledged Revenues, together with the 2000 Pledged Funds comprising the 2000 Trust Estate pledged to the 2000 Bonds, all as provided in the 2000 Bonds and in the Indenture.

The opinions set forth below are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal income tax laws of the United States of America.

On the basis of our review, we are of the opinion that:

1. The District has been duly established and validly exists as a community development district under the Act.

2. The District has the right and power under the Act to authorize, execute and deliver the Indenture, and the Indenture has been duly and lawfully authorized, executed and delivered by the District, is in full force and effect and is valid and binding upon the District and enforceable in accordance with its terms. The Indenture creates the valid pledge which it purports to create of the 2000 Trust Estate, including the 2000 Assessments, in the manner and to the extent provided in the Indenture.

3. The 2000 Bonds are the valid, binding, special obligations of the District, enforceable in accordance with their terms and with the terms of the Indenture and are entitled to the benefits of

the Indenture and the Act as amended to the date hereof, and the 2000 Bonds have been duly and validly authorized and issued in accordance with law and the Indenture.

4. The 2000 Bonds and interest thereon are exempt from taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, as defined in said Chapter 220.

5. Under existing statutes, regulations, rulings and court decisions, the interest on the 2000 Bonds (a) is excluded from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, it should be noted that with respect to certain corporations, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. The opinion set forth in clause (a) above is subject to the condition that the Board comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the 2000 Bonds in order that interest thereon be (or continues to be) excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause the interest on the 2000 Bonds to be so included in gross income retroactive to the date of issuance of the 2000 Bonds. The District has covenanted to comply with all such requirements. Ownership of the 2000 Bonds may result in collateral federal tax consequences to certain taxpayers. We express no opinion regarding such federal tax consequences arising with respect to the 2000 Bonds.

The opinions expressed above as to enforceability may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity.

Except as may expressly be set forth in an opinion delivered by us to the underwriters of the 2000 Bonds on the date hereof (upon which only they may rely), (1) we have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Limited Offering Memorandum or other offering material relating to the 2000 Bonds and we express no opinion relating thereto, and (2) we have not been engaged or undertaken to review the compliance with laws of the State of Florida or the United States with regard to the sale or distribution of the 2000 Bonds and we express no opinion relating thereto.

We have examined the form of the 2000 Bonds and, in our opinion, the form of the 2000 Bonds is regular and proper.

Very truly yours,

NABORS, GIBLIN & NICKERSON, P.A.

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APPENDIX C

FORM OF CONTINUING DISCLOSURE AGREEMENT

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APPENDIX C

CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** (this "Agreement") dated as of May 1, 2000 is executed and delivered by **PARKWAY CENTER COMMUNITY DEVELOPMENT DISTRICT** (the "District") and the **PARKWAY CENTER, INC.** (the "Developer") in connection with the issuance of the District's \$3,405,000 Special Assessment Revenue Bonds, Series 2000A (the "2000A Bonds") and \$26,595,000 Special Assessment Revenue Bonds, Series 2000B (the "2000B Bonds," together with the 2000A Bonds, collectively, the "2000 Bonds").

WITNESSETH:

WHEREAS, the District has entered into with First Union National Bank, as trustee (the "Trustee"), Master Trust Indenture, dated as of May 1, 1990 (the "Master Indenture") between the District and First Union National Bank, as trustee (the "Trustee"), as supplemented by that certain Sixth Supplemental Trust Indenture, dated as of May 1, 2000 (the "Supplemental Indenture") between the District and the Trustee, together with the Master Indenture, collectively, the "Indenture") in connection with the 2000 Bonds; and

WHEREAS, the Disclosure Rule (hereinafter defined) imposes certain obligations on the Participating Underwriter; and

WHEREAS, the District now desires to enter into this Agreement with respect to the Disclosure Rule; and

WHEREAS, the Developer has agreed to enter into this Agreement to assist in the issuance of the 2000 Bonds;

NOW, THEREFORE, in consideration of the mutual agreements and covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the District, and the Developer as to Section 6 hereof, agree as follows:

1. **Recitals; Definitions.** The foregoing recitals are true and correct and incorporated herein by this reference. All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Indenture.

2. Definitions.

"Annual Report" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 hereof.

"Beneficial Owner" shall mean any person which: (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any 2000 Bonds (including persons holding 2000 Bonds through nominees, depositories or other intermediaries); or (b) is treated as the owner of any 2000 Bonds for federal income tax purposes.

"Business Day" means any day other than a Saturday, Sunday or a day when banks in the City of New York, New York or in the cities in which the Principal Office of the Trustee, the Paying Agent or the Dissemination Agent are located are required or authorized by law to be closed or on which the New York Stock Exchange is closed.

"Disclosure Rule" shall mean Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission under the authority of the Securities Exchange Act of 1934, as the same may be amended or officially interpreted by the Securities and Exchange Commission from time to time.

"Dissemination Agent" shall mean that entity appointed by the District pursuant to Section 8 hereof to fulfill the dissemination of information obligations set forth in this Disclosure Agreement.

"Fiscal Year" shall mean the period commencing on October 1 and ending on September 30 of the next succeeding year, or such other period of time provided by applicable law.

"Holder" shall mean the registered holder of any 2000 Bond as reflected on the Bond Register in accordance with the Indenture, or any Beneficial Owner reflected on the Bond Register.

"Listed Events" shall mean any of the events listed in Section 5 hereof.

"National Repository" shall mean any current or future Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. Currently, the following are National Repositories:

- (A) Bloomberg Financial Markets
Municipal Repositories
100 Business Park Drive
Skillman, New Jersey 08558
Phone: 609/279-3225
Fax: 609/279-5962
E-mail: MUNIS@bloomberg.com
Website: www.bloomberg.com

- (B) DPC Data, Inc.
One Executive Drive
Fort Lee, New Jersey 07024
Phone: 201/346-0701
Fax: 201/947-0107
E-mail: NRMSIR@DPCDATA.COM

- (C) Muller Data
Attention: Municipal Disclosure
395 Hudson Street / 3rd Floor
New York, New York 10014
Phone: 212/807-5001 or (800) 689-8466
Fax: 212/989-2078
E-mail: disclosure@muller.com
Website: www.muller.com

- (D) Standard & Poor's J.J. Kenny Drake
Attention: Repository
55 Water Street / 45th Floor
New York, New York 10041
Phone: 212/438-4568
Fax: 212/438-0222
Website: www.jjkenny.com

A list of the names and addresses of each National Repository and State Repository as of any date may currently be obtained by calling the SEC's Fax on Demand Service from a fax machine phone line at 202/942-8088 and requesting document numbers 0206 and 0207, respectively, or by visiting the SEC's web site at "<http://www.sec.gov/consumer/nrmsir.htm>."

"Obligated Person(s)" shall mean, with respect to the 2000 Bonds, those person(s) who either generally or through an enterprise fund or account of such persons are committed by contract or other arrangement to support payment of all or a part of the obligations on such 2000 Bonds, which person(s) shall include the District, and the Developer to the extent described in Section 6 hereof.

"Participating Underwriter" shall mean the original underwriter of the 2000 Bonds that is required to comply with the Disclosure Rule in connection with the offering of such 2000 Bonds.

"Repository" shall mean each National Repository and each State Repository.

"State Repository" shall mean any public or private repository or entity designated by the State of Florida as a state repository for the purpose of the Disclosure Rule and recognized as such by the Securities and Exchange Commission. As of this date, no such designation has been made by the State of Florida.

3. Provision of Annual Reports.

(a) The District shall provide an Annual Report consistent with the requirements of Section 4 below to each Repository and to the Participating Underwriter. The Annual Report will also be made available by the District to each Holder of 2000 Bonds. The Annual Report will be submitted as separate documents comprising a package, and may incorporate by reference other information as provided in Section 4 below; provided that the District's annual audited financial statements (the "Audit") may be submitted separately from the balance of the Annual Report. If the District's Fiscal Year changes, the District shall give notice of such change in the same manner as for a Listed Event under Section 5.

(b) If the District is unable to provide to the Repositories an Annual Report (other than the Audit) by the date required in Section 4, the District shall send a notice to (i) each National Repository or the Municipal Securities Rulemaking Board, and (ii) the State Repository in substantially the form attached hereto as Exhibit "A."

(c) The District shall: (i) determine each year prior to the date for providing the Annual Report the name and address of each National Repository and the State Repository, if any; and (ii) file a report with the Trustee certifying that the Annual Report has been provided pursuant to the requirements hereof, stating the date it was provided and listing each Repository to which it was provided.

4. Contents of Annual Report. The Annual Report shall contain or incorporate by reference the following:

(a) no later than April 30, commencing April 30, 2001, the audit (the "Audit") for the immediately preceding Fiscal Year, prepared in accordance with generally accepted accounting principles applicable to operations of the District, as same may be modified from time to time by Florida statutory requirements and the governmental accounting standards promulgated by the Government Accounting Standards Board; and

(b) an update of the following financial information and operating data:

- (i) by no later than May 1 of each year, commencing May 1, 2001, Account and Fund balances of the Trust Estate with respect to the 2000 Bonds;
- (ii) by no later than May 1 of each year, commencing May 1, 2001, the amount of 2000 Assessments certified by the District to the Tax Collector for the immediately preceding calendar year.
- (iii) by no later than May 1 of each year, commencing May 1, 2001, the amount of 2000 Assessments collected for the prior year;
- (iv) by no later than by May 1 of each year, commencing May 1, 2001, the amount of Delinquent Assessments;
- (v) by August 1 of each year, commencing August 1, 2001, the dollar amount of tax certificates sold;
- (vi) by May 1 of each year, commencing May 1, 2001, debt service schedule for the remaining term of the 2000 Bonds.

Subject to the contents of Section 11 herein, the District reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the District; provided, however, that the District agrees that any such modification will be accomplished in a manner consistent with the Disclosure Rule. Any or all of the foregoing items may be incorporated by specific reference to other documents, including Offering Statements of debt issues or audited financial statements (including the Audit) of the District or related public entities, which have previously been submitted to each Repository, the Municipal Securities Rulemaking Board or to the Securities and Exchange Commission. If the document incorporated by reference is a final Offering Statement, it must be available from the Municipal Securities Rulemaking Board. The District shall clearly identify each such other document so incorporated by reference.

5. Reporting of Listed Events.

(a) Pursuant to the provisions of this Section 5, the District shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the 2000 Bonds, pursuant to subsection (b) below:

- (i) Delinquency in payment when due of principal or interest on the 2000 Bonds;
- (ii) Non-payment related defaults;
- (iii) Modifications of the rights of the Holders of the 2000 Bonds;

- (iv) Optional, contingent or unscheduled prepayment of the 2000 Bonds (not including extraordinary mandatory redemption due to prepayment of 2000 Assessments);
- (v) Defeasance of the 2000 Bonds or any portion thereof;
- (vi) Any change in any rating of the 2000 Bonds;
- (vii) Adverse tax opinions or events adversely affecting the tax-exempt status of the interest on the 2000 Bonds;
- (viii) Any unscheduled draw on any reserve account for the 2000 Bonds reflecting financial difficulties;
- (ix) Any unscheduled draw on any credit enhancement reflecting financial difficulties;
- (x) Any substitution of any credit or liquidity provider or their failure to perform;
- (xi) The release, substitution, or sale of any property securing repayment of the 2000 Bonds or any portion thereof; provided, however, the sale of real property encumbered by 2000 Assessments in the normal course of business shall not represent a Listed Event; and
- (xii) Notice of any failure on the part of the District to meet the requirements of Section 3 hereof;

(b) The District shall file a notice of such occurrence with the Municipal Securities Rulemaking Board or each National Repository and the State Repository, and send a copy thereof to the Trustee. Each such notice shall be captioned "Material Event Notice" and shall prominently state the date, title and CUSIP numbers of the 2000 Bonds to which it relates. Notwithstanding the foregoing, notice of the occurrence of a Listed Event described in clauses (iv) or (v) of subsection (a) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected 2000 Bonds pursuant to the Indenture.

6. Developer Obligations. The Developer agrees to provide, for as long as the Developer or any related entity of the Developer or any successors or assigns to the Developer owns twenty-five percent (25 %) or more of the real property encumbered by the 2000 Assessments that secure the 2000 Bonds or real property which is encumbered by more than 25% of the aggregate 2000 Assessments which secure the 2000 Bonds, to the District and the Holders or Beneficial Owners on a quarterly basis commencing July 31, 2000 and on each January 31,

April 30, July 31 and October 31 thereafter while the 2000 Bonds are Outstanding the following information:

- (a) For all assessable land within the District benefitted by the Development:

Single-Family Lots

- (i) Estimation of total number of lots expected to be included within the Development upon full build-out;
- (ii) Number of lots sold (closed) to persons or entities in the business of building or developing homes (hereinafter referred to as "Builders");
- (iii) Number of lots under contract to Builders (sold but not closed);
- (iv) Number of lots sold (closed) to persons or entities that are not Builders (hereinafter referred as "Non-Builders");
- (v) Number of lots under contract to Non-Builders;
- (vi) Number of homes (whether or not occupied) for which certificates of occupancy have been issued (hereinafter referred to as "Completed Homes"); and
- (vii) Number of Completed Homes owned by Non-Builders.

Industrial Acreage

- (i) Total number of planned Industrial Acreage; and
- (ii) Summary of sales by parcel including acreage, purchaser, sales price and status of vertical construction.

- (b) Materially adverse changes or determinations to permits/approvals for the Development which necessitate changes to the Developer's land-use plans.

- (c) Updated plan of finance (i.e., status of any credit enhancement, issuance of additional bonds to complete project, draw on credit line of Developer, additional mortgage debt, etc.)

7. Termination of Reporting Obligations. Subject to the provisions of Section 6 hereof, the obligations of the District and Developer hereunder shall terminate upon the legal defeasance, prior prepayment or payment in full of all Outstanding 2000 Bonds.

8. Dissemination Agent. The District may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations hereunder (the "Dissemination Agent") and may discharge any such Dissemination Agent with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Agreement and the District, as between it and the Bondholders, will retain all responsibilities under the Disclosure Rule. The initial Dissemination Agent shall be Prager, McCarthy & Sealey, LLC. In the absence of an appointed Dissemination Agent, the District shall carry out its obligations hereunder.

9. Obligated Persons. The Obligated Person with respect to the 2000 Bonds shall be the District and to the extent provided under Section 6, the Developer.

10. Event of Default. In the event of a failure of the District, the Developer or the Dissemination Agent to comply with any provision of this Agreement, the Trustee may (and, at the request of any Participating Underwriter or the Holders of at least twenty-five percent (25%) aggregate principal amount of Outstanding 2000 Bonds, shall), or any holder or beneficial owner of a 2000 Bond may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District, the Developer or the Dissemination Agent, as the case may be, to comply with its obligations under this Agreement. A default under this Agreement shall, pursuant to Section 702 of the Indenture, be deemed an Event of Default under the Indenture, and an additional remedy under this Agreement (in addition to the remedies under the Indenture) in the event of any failure of the Issuer, the Developer or the Dissemination Agent to comply with this Agreement shall be an action to compel performance.

11. Amendment; Waiver. Notwithstanding any other provision hereof, the District and the Developer may amend the provisions of this Agreement and any provision of this Agreement may be waived provided that the following conditions are satisfied:

The amendment or waiver either: (a) is approved by the Holders or Beneficial Owners of a majority of the Outstanding 2000 Bonds; or (b) does not, in the opinion of nationally recognized bond counsel, otherwise not comply with the Disclosure Rule.

Notwithstanding the above provisions of this Section 11, no amendment to the provisions of Section 6 hereof may be made without the consent of the Developer.

In the event of any amendment or waiver of a provision of this Agreement, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or

operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements: (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(b); and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

12. Additional Information. Nothing herein shall be deemed to prevent the District, or Developer, from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Agreement. If the District chooses to include any information in an Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Agreement, the District shall have no obligation to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

13. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Agreement and the District, to the extent permitted by law, indemnifies and saves harmless the Dissemination Agent, its officers, directors, employees and agents, from and against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the District under this Section shall survive the resignation or removal of the Dissemination Agent and payment of the 2000 Bonds.

14. Purpose of this Agreement. This Agreement constitutes the written undertaking for the benefit of the Holders and Beneficial Owners of the 2000 Bonds required by Section (b)(5)(i) of the Disclosure Rule.

15. Beneficiaries. The covenants contained herein shall inure solely to the benefit of the District, the Developer as to Section 6 hereof, the Dissemination Agent, the Participating Underwriter and the Holders and Beneficial Owners from time to time of the 2000 Bonds and shall create no rights in any other person or entity.

16. Governing Law. This Agreement shall be governed by the laws of the State of Florida and Federal law and venue shall be in Hillsborough County, Florida.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date and year set forth above.

**PARKWAY CENTER
COMMUNITY DEVELOPMENT DISTRICT**

By: _____
Chairman, Board of Supervisors

ATTEST

By: _____
Name: _____
Title: _____

**PARKWAY CENTER, INC.,
a Texas corporation**

By: _____
Name: _____
Title: _____

EXHIBIT "A"

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Parkway Center Community Development District

Name of Bond Issue: \$3,405,000 Special Assessment Revenue Bonds, Series 2000A and \$26,595,000 Special Assessment Revenue Bonds, Series 2000B

Date of Issuance: May 1, 2000

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named bonds as required by the Master Indenture, authorizing the issuance of the 2000 Bonds, and Sections 3 and 4(b) of the Continuing Disclosure Agreement dated May 1, 2000. The District anticipates that the Annual Report will be filed by _____.

Dated: _____

**PARKWAY CENTER
COMMUNITY DEVELOPMENT DISTRICT**

By: _____
Chairman, Board of Supervisors

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APPENDIX D

ASSESSMENT METHODOLOGY REPORT

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**PARKWAY CENTER
COMMUNITY DEVELOPMENT DISTRICT**

**SUPPLEMENTAL ASSESSMENT REPORT
FOR THE SERIES 2000 BONDS -**

Final Version

Prepared by

Fishkind & Associates, Inc.
11869 High Tech Avenue
Orlando, Florida 32817

April 27, 2000

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SUPPLEMENTAL ASSESSMENT REPORT
FOR THE 2000 PROJECT
PARKWAY CENTER COMMUNITY DEVELOPMENT DISTRICT

April 27, 2000

Final Version

1.0 Introduction

1.1 Purpose

This report provides a supplement to the Master Assessment Methodology (Methodology) for the Parkway Center Community Development District (District) dated November 12, 1997. Specifically, this report updates the methodology outlined in the Assessment Methodology that was adopted by the District's Board of Supervisors. The methodology allocates debt that has been incurred by the District to construct the capital improvement program, based upon the special and peculiar benefits each property receives from the improvement program.

This Supplement applies the benefit allocation criteria set forth in the Methodology, to the Series 2000 Bonds and the land specially benefited through the construction of the 2000 Project. The report is designed to conform to the requirements of Chapters 190 and 170, F.S. with respect to special assessments and is consistent with our understanding of the case law on this subject.

1.2 Background

The Parkway Center CDD was established to provide infrastructure for the Parkway Center Development of Regional Impact (DRI). The landowner has developed a master plan for the property identifying particular land uses throughout the District. The updated land use plan for this DRI envisions a mixed-use community called Oak Creek. The plan anticipates light industrial, senior living, single family, and multifamily land uses, as well as extensive open spaces and parks.

The District has relied upon the landowner's land use plan to develop the District's capital improvement program. A portion of the improvement program was financed with the proceeds of the District's Series 1990 bonds.

The Series 1997 Bonds in the amount of \$21,105,000 refunded the District's Series 1990 bonds and provided for capitalized interest, a new debt service reserve account, and issuance costs. Now, the District is issuing additional bonds. These bonds will refund the Series 1997 bonds and provide for additional funds to continue the build-out of the improvement program.

1.3 Special Benefits and General Benefits

Improvements undertaken by the District create special benefits, different in nature and degree, for properties within its borders, as well as general benefits to the public at large. However, these general benefits are incidental in nature and are readily distinguishable from the special benefits which accrue to properties within the District. The infrastructure program of the District enables properties within its boundaries to be developed. Without the District's program there would be no infrastructure to support the development of land within the District. Furthermore, the development order for Parkway Center requires improvements to offsite facilities, especially roadways, which the District has provided. Without these improvements, development of the property within the District would be prohibited by law.

There is no doubt that the general public, and property owners outside the District, will benefit from the provision of District infrastructure. However, these are incidental to the District's infrastructure program which is designed solely to meet the needs of property within the District. Properties outside the District do not depend upon the District's improvement program to obtain, or to maintain their development entitlements. This fact alone clearly distinguishes the special benefits which District properties receive, compared to those properties lying outside of the District's boundaries.

1.4 Special Benefits Exceed the Costs Allocated to Pay for Them

In the case of Parkway Center the value of the special benefits provided by the District's improvement program is far greater than the costs associated with providing these same benefits. The District's Series 2000 bonds total approximately \$30,000,000. This compares favorably to the estimated total sell out value of the lands within the 2000 Project area of over \$55,152,000. It is the District's improvement program that makes it possible to develop and sell the land within its boundaries.

2.0 Assessment Methodology

2.1 Overview

The methodology described here has two goals; (1) quantifying the special benefits to properties in the District and (2) equitably allocating the costs incurred by the District to provide these benefits to properties within the District. The District has adopted a master improvements program that will allow for the development of property within the District. The District is funding this improvement program through debt financing. This debt will be repaid from the proceeds of an assessment levied by the District's Board of Supervisors. The levy will take the form of non-ad valorem special assessments that will be liens against properties within the boundary of the District receiving special benefits from the capital improvement program. The methodology allocates this debt to properties based upon the special and peculiar benefits each property receives from the infrastructure program according to the reasonable and fair apportionment of the duty to pay for these levied assessments.

The assessment methodology is a four-step process. First, the District Engineer estimates the costs for the capital improvement program that are to be included as the 2000 Project. Second, these costs are divided into two categories: (1) roadway related improvements and (2) non-roadway related improvements. Third, the costs for providing the roadways are divided among the benefited properties on the basis of the volume of trips that each land use is projected to generate once it is fully developed. Finally, the costs for all other improvements are divided among the benefited properties on the basis of equivalent residential units (ERUs).

2.2 Estimates For Trips and ERUs

Debt related to roadway improvements is allocated among the benefited parcels on the basis of the volume of trips which each is projected to generate when fully developed. Since the roadways and related improvements were specifically designed to accommodate the traffic generated by the proposed land use plan, this allocation procedure is quite reasonable. It directly allocates debt to specific properties based upon the benefit that each parcel receives from the development of the District's roadway system.

Each type of land use has its own specific trip generation rate. For example, a detached single-family unit is estimated to generate 9.55 trips per day. The trip rate estimates for residential units were chosen on a per unit basis. The trip rates for the business park properties were obtained on a per acre basis. All trip rates were taken from Trip Generation Rates, Sixth Edition (1997), Institute of Traffic Engineers.

The portion of debt incurred to fund the remaining non-roadway improvements is allocated to benefiting properties on the basis of development density and

intensity. These are measured in terms of ERUs. For each residential parcel the ERUs are based upon a standard of 5 residential units per acre, so that one ERU is a detached residential unit on 1/5 acre. In this methodology the standard residential unit is the “Single Family 50”. It was assigned a ERU value of 1. All other residential and non-residential ERU assignments were calculated based on that category’s density and intensity relative to the “Single Family 50”. Business Park land uses are assigned an ERU based upon their density and intensity of planned development as compared to the standard of a single-family detached home on 1/5-acre lot (Single Family 50). For example, for land planned for business park development the owner projects a floor area ratio (FAR) of .35. This means that 35% of each acre is expected to be covered with a building, or 15,246 square feet of building per acre. The typical single-family home on a 1/5-acre lot is projected to be about 2,000 square feet in size. Thus, the ERUs per acre of industrial property is 1.52, $(43560 \times .35) / (5 \times 2,000)$.

2.3 Debt Allocations

Prior to land being platted, the ultimate land uses are unknown, therefore, at the outset the District’s debt will be allocated to all property in the District on an equal acreage basis. As actual development and platting occurs, the precise land use for each platted parcel will be determined. At that time a more precise allocation of debt to the platted parcels can be accomplished.

Debt is allocated to each category of land in the District depending on its share of total trips and total ERUs projected at build-out.

The debt allocation methodology is really a process by which the District can allocate debt to particular parcels of land at the time of platting. The procedure also assures that the debt will not build up on the unplatted properties creating potential assessment problems.

3.0 Series 2000 Bonds

3.1 Overview

The financial plan for the Parkway Center Community Development District calls for the sale of approximately \$30,000,000 in bonds. The proceeds from this bond issue will refund the District’s Series 1997 bonds and provide for additional construction funds, capitalized interest, new debt service reserve accounts, and issuance costs. This \$30,000,000 in debt will be allocated to properties within the District that receive special benefits from the capital improvements funded with the Series 2000 bonds.

Table 1 shows the anticipated development program that corresponds to the 2000 Project, and relates all anticipated land uses on an ERU basis relative to a standard single family unit (Single Family 50). Table 2 represents these land uses

in terms of anticipated trips per unit as found in Trip Generation Rates, 6th Edition (1997), Institute of Traffic Engineers.

3.2 2000 Project

As delineated in the District's engineering report, the 2000 Project consists of a capital improvement program that includes a series of roadway and drainage improvements, and additions to the water and sewer systems. The 2000 Project has been estimated by the District's engineer to total \$12,835,106. These costs are summarized in Table 3.

3.3 Series 2000 Bond Sizing

In addition to funding the costs of the new infrastructure programs, the District desires to refinance outstanding debt. Prager, McCarthy, and Sealy, the District's underwriter has estimated the District's outstanding debt at \$15,809,513 as of April 2000. This amount will be added to the total amount of new funds needed by the District. But, these monies will not pay for any construction associated with the 2000 Project.

Table 4 summarizes the financial requirements of the Series 2000 bonds. In addition to funding new construction and tendering prior bonds, monies will be needed to provide for a capitalized interest period, a debt service reserve fund, costs of issuance, original issue discount, and the underwriter's discount. Credits to be applied include liquidation of the Series 1997 Interest, Prepayment, and Debt Service Reserve accounts. The net debt of the Series 2000 bonds is \$30,000,000.

The Series 2000 bonds are structured with an A portion and a B portion. The Series 2000 A Bonds total \$3,405,000, have a coupon rate of 8.25%, and a term of 30 years. The Series 2000 B Bonds total \$26,595,000, have a coupon rate of 8.00%, and an interest only term of 10 years. At the end of the 10 year term the principal amount of \$26,595,000 is due, along with an associated interest payment.

3.4 Assessments Associated with the Series 2000 Bonds

Initially, it is anticipated that all of the land represented by the development program in Tables 1 & 2 will be unplatted. At that point, the debt will be spread on an equal acre basis. As the infrastructure program gets built out and platting occurs, debt will be allocated to the eventual land uses according to that land use's proportion of anticipated trips, and its density and intensity of development (ERUs). Roadway debt will be allocated to the eventual lands uses based on trips. The debt associated with all other capital improvements will be allocated to the eventual land uses based on Equivalent Residential Units (ERUs). Table 5 represents the Series 2000 Bonds debt allocations on a per unit basis, and shows the maximum annual assessments required to amortize the Series 2000 Bonds.

Assessments levied on benefited properties to repay the Series 2000A Bonds are referred to as Permanent Assessments and assessments levied on benefited properties to repay the series 2000B Bonds are referred to as Capital Reduction Assessments. The Permanent assessments will be payable in 30 annual approximately equal installments and the Capital Reduction Assessments will be paid prior to or at the time the Developer sells a parcel of land. Table 6 delineates the Permanent Assessments as the Series "A" Assessments and the Capital Reduction Assessments as the Series "B" Par Debt Per Unit.

4.0 True-up Mechanism

Although the District does not process plats or distribute new tax identification numbers, it does have an important role to play during the course of platting. Whenever a plat is processed, the District must allocate a portion of its debt to the newly platted property according to the methodology outlined. In addition, the District must also prevent any buildup of debt on unplatted land. Otherwise, the land could be fully platted without all of the debt being allocated.

To preclude this occurrence, a test is conducted at the platting thresholds of 25%, 50%, 75%, and 100%. There are 518.44 developable acres. The stage of development depends on the percentage of developable land remaining within the District. For example, the 25% test occurs when the landowner presents a plat to the District that involves the 130th developable acre.

At the time of the tests the District will determine the debt per acre that remains on the undivided land, taking into account the proposed plat. As long as the plat does not cause the debt on the remaining land to increase above its initial level then no further action is necessary. However, if the plat does cause the debt on the remaining land to increase, then a debt reduction payment will be necessary. The following examples illustrate this point.

Current plans for the District provide for total debt of \$30,000,000. This amounts to approximately \$57,866 per acre on the District's developable acreage of 518.44 acres. Whenever a new tax identification number is assigned for the subdivided property, the District will assign a portion of the debt to it based upon the methodology. In addition, the District will calculate the debt per remaining acre of land. If at the time of the four tests this calculation results in a debt per remaining acre of \$57,866 or less (the ceiling amounts), then no further action need be taken. However, if the result is a number higher than this ceiling, the developer must make a debt reduction payment sufficient to bring the debt per remaining acre down to the ceiling amount.

In the event the District is contracted, the debt on the land that is being excluded from the District must be paid off. This payoff amount will equal the numbers of

developable acres under consideration times the remaining debt per acre less a credit for the reduction of the Debt Service Reserve account.

5.0 Assessment Roll

The assessments associated with the 2000 Project will be allocated across the undeveloped assessable lands within the District, initially on an **equal acreage basis**. The Assessment Plat defines the assessable acreage within the District. Currently the estimated developable acreage is 518.44 acres. Based on the 518.44 acres, the initial assessment shall be \$57,866 per acre. All of the lands within the boundary of the District are currently owned by Parkway Center, Inc., whose business address for assessment purposes is 8181 Eagle Palm Dr., Riverview, Florida, 33569.

**TABLE 1 PARKWAY CENTER CDD
2000 Project
DEVELOPMENT PROGRAM & ERU's**

Land Uses	Acres or Units	FAR or Units/Acre	ERU/Acre or Unit	Total ERU's	% ERU's
Business Park	249 Acres	0.35	1.52	378	34.45%
Assisted Living	200 Units	50.00	0.10	20	1.82%
Single Family 40	108 Units	6.25	0.80	86	7.87%
Single Family 50	309 Units	5.00	1.00	309	28.15%
Single Family 65	73 Units	4.17	1.20	88	7.97%
Multifamily	650 Units	15.00	0.33	217	19.74%
				1,098	100%

Assumptions:
Equivalent Residential Unit= Single Family 50

TABLE 2 PARKWAY CENTER CDD 2000 Project Development Program - Trips
--

Land Uses	Acres or Units	Trips/Unit*	Total Trips	% Trips
Business Park	249 Acres	149.79	37,263.26	79.35%
Assisted Living	200 Units	3.48	696.00	1.48%
Single Family 40	108 Units	9.57	1,033.56	2.20%
Single Family 50	309 Units	9.57	2,957.13	6.30%
Single Family 65	73 Units	9.57	698.61	1.49%
Multifamily	650 Units	6.63	<u>4,309.50</u>	<u>9.18%</u>
Totals			46,958.06	100%

*Trip Generation Rates, 6th Edition

TABLE 3 PARKWAY CENTER CDD 2000 Project COST ESTIMATES IN \$000s

	SERIES 2000	
Project Estimates:		
<i>Roadway Related Costs</i>	\$ 6,466,204	
<i>Other Costs</i>	\$ 6,368,902	
Subtotal New Infrastructure	\$ 12,835,106	
<i>Refinance Existing Debt</i>	<u>\$ 15,809,513</u>	
Total Capital Requirements	\$ 28,644,619	
 Roadway Costs	 \$ 15,161,436	 52.93%
Other Costs	\$ 13,483,183	47.07%

TABLE 4 PARKWAY CENTER CDD**2000 Project****FINANCING \$000s**

	TOTAL
Net Construction Funding	\$ 11,932,500
Tender of Prior Bonds	\$ 15,809,513
Debt Service Reserve	\$ 2,971,225
Capitalized Interest	\$ 2,278,321
Cost of Issuance	\$ 180,000
Underwriter's Discount	\$ 450,000
Contingency	\$ 4,184
Original Issue Discount	\$ <u>447,062</u>
Gross Bond Amount	\$ 34,072,805
Liquidation of Interest Account	\$ (50,953)
Liquidation of Prepayment Account	\$ (2,783,722)
Liquidation of DSR	\$ <u>(1,238,129)</u>
Net Bond Amount	\$ 30,000,000
Roadway Debt	\$ 15,878,832
Other Debt	\$ 14,121,168

TABLE 5 PARKWAY CENTER CDD 2000 Project ALLOCATION OF DEBT

Product Type	Roadway Debt	Other Debt	Total Debt	Debt/Unit
Business Park	\$ 12,600,542	\$ 4,864,272	\$17,464,815	\$70,205
Assisted Living	\$ 235,352	\$ 257,280	\$492,632	\$2,463
Single Family 40	\$ 349,498	\$ 1,111,450	\$1,460,948	\$13,527
Single Family 50	\$ 999,951	\$ 3,974,978	\$4,974,929	\$16,100
Single Family 65	\$ 236,234	\$ 1,125,986	\$1,362,221	\$18,661
Multifamily	\$ 1,457,254	\$ 2,787,202	\$4,244,456	\$6,530
TOTALS	\$ 15,878,832	\$ 14,121,168	\$30,000,000	
Series A				
Bond Term (years)	30			
Bond Rate (%)	8.25%			
Series B				
Bond Term (years)	10			
Bond Rate (%)	8.00%			

TABLE 6 PARKWAY CENTER CDD
2000 Project
A & B Assessments

Product Type	Total Debt Per Unit	Series "A" Assessment**	"A" Par Debt Per Unit	Total "A" Debt	Series "B" Par Debt Per Unit***	Total "B" Debt
Business Park	\$70,205	\$0	\$0	\$0	\$70,205	\$17,464,815
Assisted Living	\$2,463	\$140	\$1,540	\$307,926	\$924	\$184,706
Single Family 40	\$13,527	\$304	\$3,347	\$361,458	\$10,180	\$1,099,489
Single Family 50	\$16,100	\$395	\$4,344	\$1,342,283	\$11,756	\$3,632,647
Single Family 65	\$18,661	\$489	\$5,378	\$392,573	\$13,283	\$969,648
Multifamily	\$6,530	\$140	\$1,540	\$1,000,760	\$4,990	\$3,243,696
				\$3,405,000		\$26,595,000
					Series A + B	\$30,000,000

** Assessments on the individual tax bills will be higher to account for administrative fees and discounts.

The "A" assessments are the required amounts to amortize the Series A bonds.

***"B" Par Debt per Unit is the par value of the Capital Reduction Assessments that will be paid at the time the Developer sells a parcel or lot.

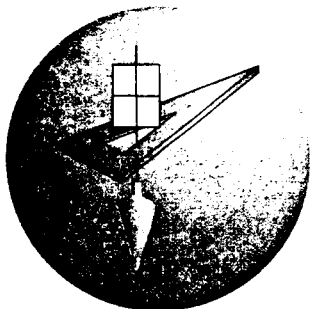
The Developer will pay 90% of the Par Debt Per Unit at Closing and Debt Service Reserve Fund will be reduced accordingly to pay the remaining 10%.

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APPENDIX E

ENGINEER'S REPORT

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CIVIL ENGINEERING

SURVEYING

ENVIRONMENTAL
PERMITTING

PLANNING

LANDSCAPE
ARCHITECTURE

PARKWAY CENTER
COMMUNITY DEVELOPMENT DISTRICT
ENGINEER'S REPORT
SPECIAL ASSESSMENT REVENUE BONDS
SERIES 2000

Prepared for:

Board of Supervisors
Parkway Center
Community Development District

March 8, 2000

Prepared by:

Heidt & Associates, Inc.
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Tampa, Florida 33606

✓ Tampa

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Fort Myers

6326 Presidential Court
Fort Myers, FL 33919
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EXHIBIT A

Table of Contents

Sections

Section 1	Introduction
Section 2	Infrastructure Improvements
Section 3	.....	Work In Progress
Section 4	.....	Permit Status & Description of Improvements
Section 5	.....	Summary Opinion

Tables

Table 1	.....	Subdivision Phasing Schedule
Table 2	.....	Construction Breakdown by Project
Table 3	.....	Summary of Costs

Exhibits

Exhibit A	.....	Vicinity Map
Exhibit B	.....	Project Map

INTRODUCTION

The Parkway Center Community Development District (the "District") is a 616.7 acre tract generally bounded by 78th Street on the west, Interstate 75 on the east, and Riverview Drive on the south. Located in Sections 12 and 13, Township 30 South, Range 19 East, and in Section 18, Township 30 South, Range 20 East, it is approximately 1.0 mile southwest of the intersection of Interstate 75 and Highway 301. The development can currently be accessed from Falkenburg Road (off Madison Avenue) from the north and Eagle Palm Drive (off 78th Street) from the West. For more detail, see the Vicinity Map contained in Exhibit 1.

Historically used for agricultural purposes, the lands within Parkway Center received development approval as a Development of Regional Impact (DRI) and were subsequently rezoned to accommodate the current land plan. The portion of the DRI within the District boundary is anticipated to contain a total of 490 single family units, one multi-family parcel which is planned to include 650 units, one park site, a potential school site, 200 assisted living units, and 24 commercial tracts of varying size situated on approximately 249 acres. The first 400 single family units will be constructed in four (4) phases and three (3) sizes as outlined in Table 1 on the next page.

In addition to the above, the District contains two parcels with no immediate plans for development. The first is the eagle zone located in the center of the development. It encompasses approximately 40 acres and contains one 0.55 acre wetland and two proposed drainage ponds which cover approximately 10 acres. The remaining ± 29.5 acres may be developed as single family lots pending the eagle's departure. The second area lies along the south side of the future Falkenburg Road Extension adjacent to Riverview Drive and is identified as Parcel H-H. This parcel will contain a mitigation area and approximately 90 single family lots. The development time frame for this area will depend on the success of the current residential section. Neither of these two parcels has been factored into this report although the costs associated with developing Parcel H-H are identified in the Note section on Page 6. It is anticipated that the costs associated with these parcels would be covered by the developer through private funds or through the issuance of future bonds.

This report provides a description and cost for the improvements to be financed with the District's Series 2000 Bonds. It will serve as the basis for an apportionment of the costs for the capital improvements. Table 3 herein contains our opinions of the probable costs for the capital improvements to be constructed and/or purchased by the Parkway Center Community Development District.

It is contemplated that the Series 2000 Bonds will complete all infrastructure necessary to serve the commercial, residential, multi-family, and public-use parcels listed above. The cost associated with this infrastructure is \$12,835,106.43.

INTRODUCTION *continued*

This Engineer's Report reflects the District's present intentions. The implementation and completion of any improvement outlined in this Report requires final approval by the District's Board of Supervisors, including the award of contracts for the construction of the improvements. Cost estimates contained in this report have been prepared based on the best available information, including bid documents and pay requests where available. These estimates may not reflect final engineering design or complete environmental permitting. Actual costs will vary based upon final plans, design, planning, approvals from regulatory authorities, inflation, etc. Nevertheless, all costs contained herein may be reasonably expected to adequately fund the improvements described, and contingency costs as included are reasonable.

TABLE 1

Residential Subdivision Phasing Schedule

Lot Size:	Phase 1	Phase 2	Phase 3	Phase 4	Total
40' Lots	60	48	-	-	108
50' Lots	55	48	52	64	219
65' Lots	73	-	-	-	73
Total	188	96	52	64	400*

* **The remaining 90 (Parcel H-H) units will be developed based upon the absorption of the first 4 phases.**

INFRASTRUCTURE IMPROVEMENTS

The Parkway Center CDD presently intends to finance and construct certain infrastructure improvements necessary for the development of Parkway Center. Generally, all of the infrastructure improvements will include engineering fees, materials testing, construction staking, construction costs, bonding, and contingency allowances. Please note that these costs do not include the legal, administrative, financing, operation or maintenance, and Community Development District formation services necessary to finance and operate the District infrastructure. A more specific description of each of the included items is listed below. Please refer to Table 2 on the next page for a cost breakdown for each specific project, and Exhibit 2 for a pictorial summary of those improvements to be financed by the 2000 Bonds.

Engineering Fees -

Engineering Fees include civil engineering costs for site design, permitting, inspection, and master planning, agency review fees, geotechnical costs for pre-design soil borings, underdrain analysis, and architectural costs for landscape design.

Materials Testing -

Geotechnical fees for obtaining roadway and drainage densities required by Hillsborough County.

Construction Staking -

Survey costs associated with the stake-out of roadways, ponds, utilities, drainage and horizontal and vertical control. This also includes record drawing, inspection, and certification costs.

Construction Costs -

The costs associated with roadway construction, water and sewer system installation, stormwater management facilities, and site clearing and grading are included in this category.

Payment and Performance Bonding -

Bonding fee generally calculated at 1.5% of the overall cost of the project before contingencies.

INFRASTRUCTURE IMPROVEMENTS *continued*

Contingency Fees -

Contingency Fees have been included to allow for change orders and oversights in construction. In general, this fee is assumed to be 2% of the overall site construction costs for projects which have been bid and 10% for those which have not yet been completed.

Note: All of the planned or completed improvements to be financed with the 2000 Series Bonds are "assessable improvements" within the meaning of Chapter 190, Florida Statutes.

TABLE 2

Construction Cost Breakdown by Project

<i>Off-Site Falkenburg Road</i>		
	Engineering	112,500.00
	Testing	18,750.00
	Construction Staking	58,500.00
	Construction Costs	1,486,022.35
	Payment and Performance Bond	15,300.00
	Contingency (2%)	33,821.45
	TOTAL	1,724,893.80
<i>Falkenburg North (Parkway Northeast)</i>		
	Engineering	94,500.00
	Testing	15,870.00
	Construction Staking	35,000.00
	Construction Costs	792,783.05
	Payment and Performance Bond	0.00
	Contingency (2%)	18,763.06
	TOTAL	956,916.11

TABLE 2 continued		
<i>Oak Creek Commercial Core</i>		
	Engineering	77,000.00
	Testing	48,450.00
	Construction Staking	125,000.00
	Construction Costs	3,589,999.93
	Payment and Performance Bond	53,850.00
	Contingency (2%)	77,886.07
	TOTAL	3,972,186.00
<i>Falkenburg Road Extension</i>		
	Engineering	35,000.00
	Testing	9,000.00
	Construction Staking	20,000.00
	Construction Costs	450,000.00
	Payment and Performance Bond	5,140.00
	Contingency (10%)	51,914.00
	TOTAL	571,054.00
<i>78th Street Widening (±7,200')</i>		
	Engineering	50,000.00
	Testing	27,000.00
	Construction Staking	20,000.00
	Construction Costs	200,000.00
	Payment and Performance Bond	3,000.00
	Contingency (10%)	30,000.00
	TOTAL	330,000.00
<i>Oak Creek Single Family</i>		
	Engineering	200,000.00
	Testing	96,869.00
	Construction Staking	200,000.00
	Construction Costs	4,255,603.76
	Payment and Performance Bond	47,578.62
	Contingency (10%)	480,005.14
	TOTAL	5,280,056.52

TABLE 3

Summary Of Costs - Series 2000 Bonds

BOND TYPE	MASTER INFRASTRUCTURE
Engineering Fees	\$ 569,000.00
Materials Testing	\$ 215,939.00
Construction Staking	\$ 458,500.00
Construction Costs	\$ 10,762,163.07
Payment and Performance Bonding	\$ 124,868.62
Contingency	\$ 704,636.55

TOTAL **\$ 12,835,106.43***

Note: All costs are in 2000 dollars

* Excludes \$12,246.83 for the excavation of the pond areas within the Tampa Electric right-of-way and \$87,825.00 for the clearing and grubbing of the single family parcels. The costs for this work will be paid for by the developer. Of the \$12,835,106.43, 50.4% are roadway related costs (\$6,466,204.11) and 49.6% are other costs (\$6,368,902.32).

Also excludes the costs associated with the site development of Parcel H-H. The site development costs of H-H are as follows:

Engineering	\$60,000.00
Materials Testing	\$42,000.00
Construction Staking	\$45,000.00
Construction	\$750,000.00
Bonding	N/A
Contingency (10%)	\$90,000.00
TOTAL	\$987,000.00

In the event Hillsborough County purchases Transportation Impact Fee Credits from the District, the District may consider utilizing some or all of the proceeds to construct the infrastructure within Parcel H-H.

WORK IN PROGRESS

Currently, two District projects are being constructed utilizing private funds until which time the bond issuance is completed.

The first project is Off-Site Falkenburg Road (A.K.A. Falkenburg Road, Progress to Everhart). This ±4,500 LF extension of Falkenburg is being constructed by Larkin Contracting and includes the installation of a traffic signal at the intersection of Progress Boulevard and Falkenburg Road. Work on this project began in December of 1999 and should be completed by May of 2000. The developer has loaned the District funds to construct this project.

The second project currently underway is Parkway Northeast (A.K.A. Falkenburg North). This ±1,800 LF extension of Falkenburg Road runs south from the existing Falkenburg Road and Eagle Palm Drive intersection to the northern edge of the Commercial Core development. This is also being constructed by Larkin Contracting. Work began in February of 2000 and is anticipated to be completed by August of 2000. The District will acquire this project from the developer upon completion.

The developer has undertaken some of the engineering, testing, and staking required for these projects. The District will purchase from the developer the preliminary work undertaken by the developer.

PERMIT STATUS & DESCRIPTION OF IMPROVEMENTS

This bond issue covers six (6) sets of plans and related permits. The current permitting status of each project is as follows:

Off-Site Falkenburg Road - The 4,500 LF roadway connection between Madison Avenue and Everhart Road will consist of a 4-lane divided roadway, a traffic signal and a turn lane. No utilities are proposed. Completely permitted and under construction.

Falkenburg North (Parkway Northeast) - A $\pm 1,800$ LF road extending south from the Falkenburg Road/Eagle Palm Drive intersection to the southern side of Archie Creek. It will consist of a 4-lane divided road with an east-bound turn lane and associated utilities. Completely permitted and under construction.

Oak Creek Commercial Core - This project will entail the construction of $\pm 4,600$ LF of Falkenburg road from the southern tip of the Falkenburg North project south to the northern edge of the Falkenburg Road extension. This section of Falkenburg will consist of a 2-lane divided section (16' lanes) and associated utilities. The project will also include approximately 4,000' of 2-lane roadway that will serve as connections to the proposed extension of Eagle Palm Drive and the Oak Creek Single Family project. These roads will contain major water and sewer trunk lines that will also help serve the Single Family section of this development. In conjunction with this roadway and utility infrastructure construction, several stormwater and floodplain mitigation ponds will be constructed including a ± 35 -acre detention pond that will treat and attenuate the runoff from Falkenburg Road and the surrounding basin. Hillsborough County and SWFWMD permits are still outstanding. Both are anticipated by early April. Construction will begin upon permit issuance.

Falkenburg Road Extension ($\pm 1,200'$) - A 1,200 LF extension of Falkenburg Road from the southern terminus of the Commercial Core project west to south 78th Street. A portion of the 78th Street widening will be performed with this connection. No current plans exist for the design and permitting of this project.

PERMIT STATUS & DESCRIPTION OF IMPROVEMENTS *continued*

78th Street Widening (±7,200') - Approximately 7,200 LF of roadway widening and associated off-site improvements as outlined in the Parkway Center DRI. The project will be built in several phases. Design for the first segment of this widening is underway. Approvals are expected by June of this year with construction starting by July.

Oak Creek Single Family - Infrastructure improvements including ±3,300 LF of roadway, a turn lane on Riverview Drive, water, sewer, and stormwater-related facilities to support development of approximately 400 single family lots. Hillsborough County and SWFWMD permits are still outstanding. Both are anticipated by early April. Construction of Phase 1 will begin upon permit issuance.

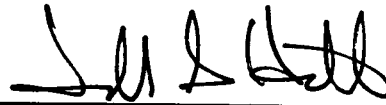
Note: All projects have been or will be permitted through the following agencies:

- The Southwest Florida Water Management District
- Hillsborough County Planning and Growth Management
- Hillsborough County Environmental Protection Commission
- Hillsborough County HRS (Water DEP's)
- Hillsborough County Environmental Protection Commission (Sewer DEP's)
- United States Environmental Protection Agency (NPDES)
- United States Corps of Engineers (where applicable)
- Florida Fish and Wildlife Conservation Commission (Gopher Tortoise)
- United States Fish and Wildlife Service (Eagle)

SUMMARY OPINION

It is our opinion that the improvements as described will be sufficient to support the current land use plan. The roadway, water, and sewer plans have been designed to support a development of the type and size described. The stormwater collection, transmission, treatment and attenuation system has been designed in accordance with Hillsborough County and SWFWMD rules and regulations. All applicable permits (as outlined earlier in this report) have either been received or, in the case of some future construction, are expected to be obtained in the normal course of business.

Therefore, it is my opinion that there are sufficient funds with \$12,835,106.43 to complete the construction described herein with the proceeds of the Series 2000 bonds.

A handwritten signature in black ink, appearing to read 'Jeffery S. Hills', is positioned above a horizontal line.

Jeffery S. Hills, P.E.

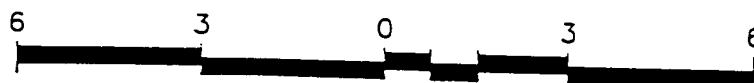
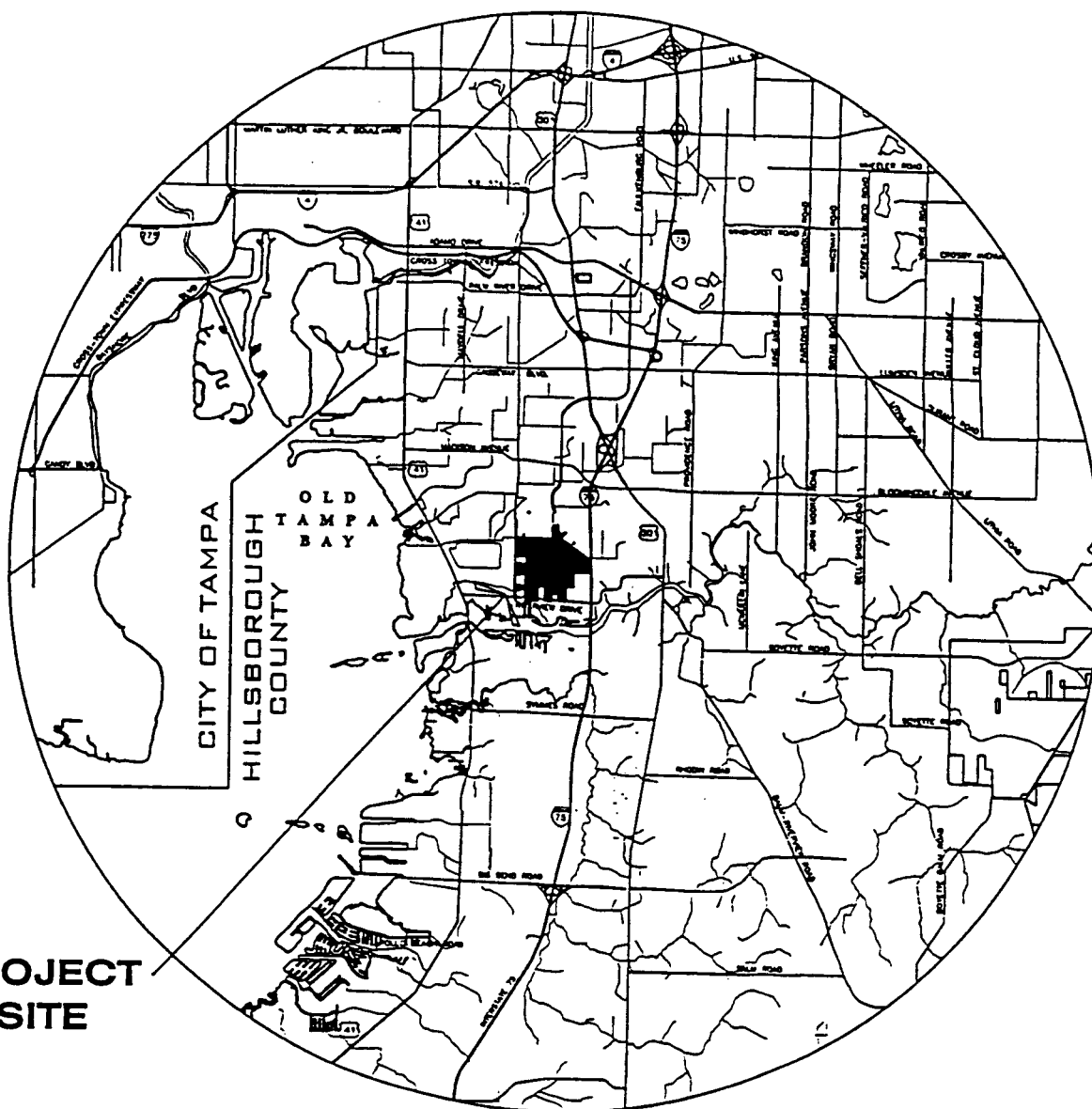
Florida Registered Engineer No. 54677

EXHIBITS

Exhibit 1 - Vicinity Map

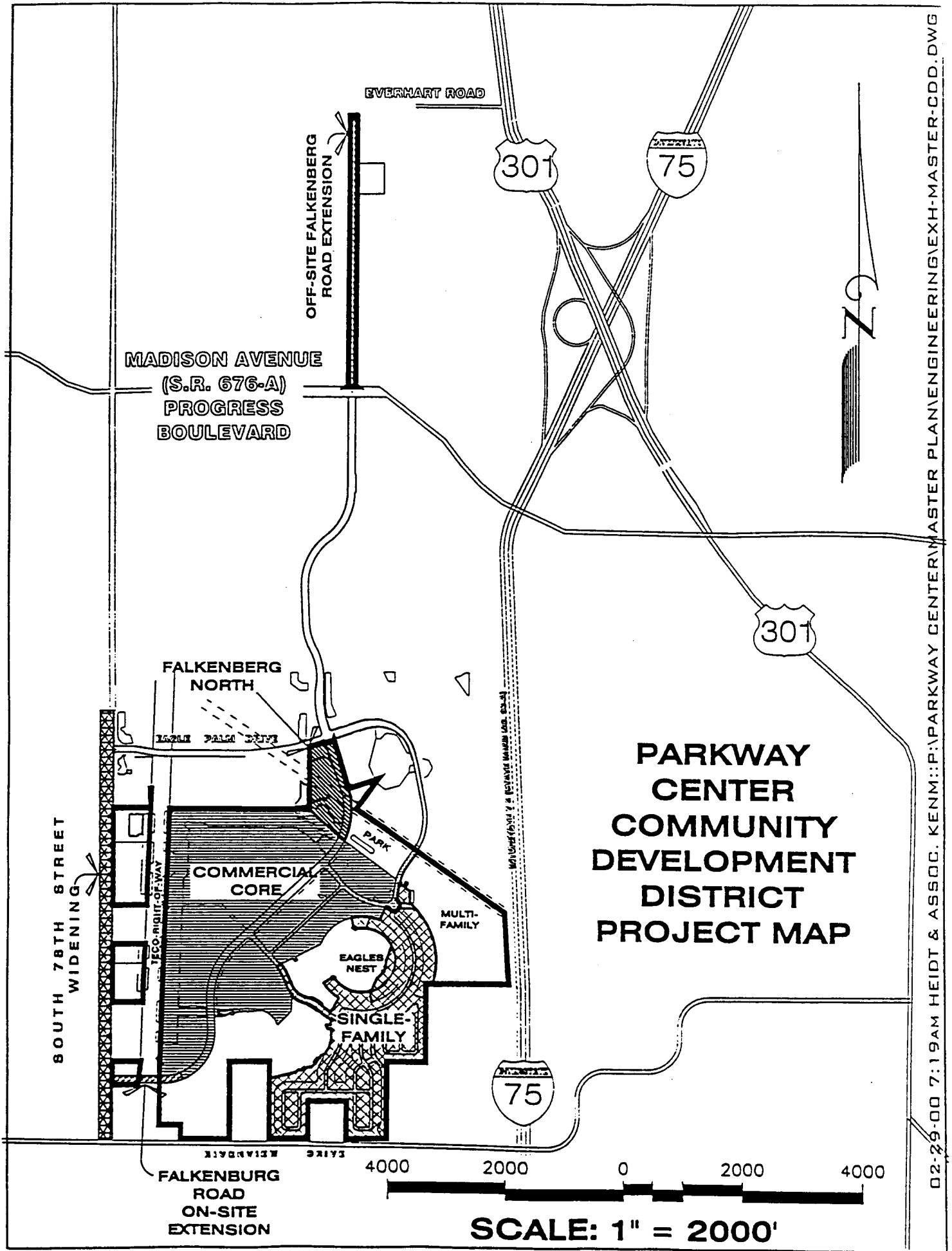
Exhibit 2 - Project Map

**PROJECT
SITE**



SCALE: 1" = 3 Miles

PARKWAY CENTER COMMUNITY DEVELOPMENT DISTRICT VICINITY MAP



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APPENDIX F

**INDEPENDENT AUDITORS' REPORT AND GENERAL FINANCIAL
STATEMENT FOR FISCAL YEAR ENDED SEPTEMBER 30, 1999**

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**PARKWAY CENTER COMMUNITY DEVELOPMENT DISTRICT
HILLSBOROUGH COUNTY, FLORIDA
INDEPENDENT AUDITORS' REPORT AND
GENERAL-PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 1999**

**PARKWAY CENTER COMMUNITY DEVELOPMENT DISTRICT
HILLSBOROUGH COUNTY, FLORIDA**

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INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors
Parkway Center Community Development District
Hillsborough County, Florida

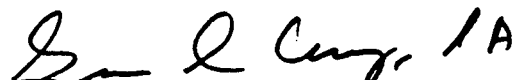
We have audited the accompanying general-purpose financial statements of Parkway Center Community Development District, Hillsborough County, Florida ("District") as of and for the fiscal year ended September 30, 1999, as listed in the Table of Contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the District, as of September 30, 1999, and the results of its operations for the fiscal year then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 12, 2000, on our consideration of the Parkway Center Community Development District's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The schedule listed as supplemental information in the Table of Contents is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements of the District. The information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general-purpose financial statements taken as a whole.


January 12, 2000

**PARKWAY CENTER COMMUNITY DEVELOPMENT DISTRICT
HILLSBOROUGH COUNTY, FLORIDA
BALANCE SHEET - ALL FUND TYPES
AND ACCOUNT GROUPS
SEPTEMBER 30, 1999
(With Comparative Totals for September 30, 1998)**

	Governmental Fund Types		Account Groups			Total	
	General Fund	Debt Service Fund	General Fixed Assets	General Long-Term Debt		(Memorandum Only)	
						1999	1998
ASSETS							
Cash and short-term investments	\$ 2,886	\$	\$	\$	\$	2,886	\$ 97,300
Investments		1,661,748				1,661,748	3,953,828
Accrued interest receivable		6,020				6,020	49,346
Due from developer	25,257					25,257	
Prepaids	2,713					2,713	902
Fixed assets			12,674,337			12,674,337	12,674,337
Amounts available in Debt of Service Fund				1,667,768		1,667,768	4,003,174
Amounts to be provided for Retirement of							
General Long-Term Debt						13,497,232	21,105,000
Total Assets	\$ 30,856	\$ 1,667,768	\$ 12,674,337	\$ 15,165,000		\$ 29,537,961	\$ 41,883,887
LIABILITIES							
Accounts payable	\$ 25,247	\$	\$	\$	\$	25,247	\$ 8,804
Bonds payable				15,165,000		15,165,000	21,105,000
Total Liabilities	25,247			15,165,000		15,190,247	21,113,804
FUND EQUITY							
Investment in general fixed assets			12,674,337			12,674,337	12,674,337
Fund Balance:							
Reserved for prepaids	2,713					2,713	902
Reserved for debt service		1,667,768				1,667,768	4,003,174
Unreserved	2,896					2,896	88,496
Total Fund Equity	5,609	1,667,768	12,674,337			14,347,714	16,766,909
Total Liabilities and Fund Equity	\$ 30,856	\$ 1,667,768	\$ 12,674,337	\$ 15,165,000		\$ 29,537,961	\$ 37,880,713

See notes to the financial statements

**PARKWAY CENTER COMMUNITY DEVELOPMENT DISTRICT
HILLSBOROUGH COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1999
(With Comparative Totals for 1998)**

	General Fund	Debt Service Fund	Totals (Memorandum Only)	
			1999	1998
REVENUE				
Special assessments	\$	\$ 5,247,939	\$ 5,247,939	\$ 97,934
Developer contributions	37,771		37,771	177,706
Interest		150,580	150,580	187,234
Miscellaneous	1,901		1,901	15
Total Revenues	<u>39,672</u>	<u>5,398,519</u>	<u>5,438,191</u>	<u>462,889</u>
EXPENDITURES				
Current				
General government	88,438		88,438	68,574
Maintenance	35,023		35,023	36,237
Debt Service				
Principal retirement		5,940,000	5,940,000	13,665,000
Interest		1,793,925	1,793,925	1,762,439
Bond issue costs				236,066
Total Expenditures	<u>123,461</u>	<u>7,733,925</u>	<u>7,857,386</u>	<u>15,768,316</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(83,789)</u>	<u>(2,335,406)</u>	<u>(2,419,195)</u>	<u>(15,305,427)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds of bonds				21,105,000
Operating transfers in				16,350,468
Operating transfers (out)				(16,350,468)
Total Other Financing Sources				<u>21,105,000</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	<u>(83,789)</u>	<u>(2,335,406)</u>	<u>(2,419,195)</u>	<u>5,799,573</u>
FUND BALANCE - OCTOBER 1	<u>89,398</u>	<u>4,003,174</u>	<u>4,092,572</u>	<u>(1,707,001)</u>
FUND BALANCE - SEPTEMBER 30	<u>\$ 5,609</u>	<u>\$ 1,667,768</u>	<u>\$ 1,673,377</u>	<u>\$ 4,092,572</u>

See notes to the financial statements.

**PARKWAY CENTER COMMUNITY DEVELOPMENT DISTRICT
HILLSBOROUGH COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AN ACTUAL
ALL GOVERNMENTAL FUND TYPES
FOR THE FISCAL ENDED SEPTEMBER 30, 1999**

	GENERAL FUND			DEBT SERVICE FUND		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUE						
Special assessments	\$	\$	\$	\$	\$	\$
Developer contributions	56,845	37,771	(19,074)			(793,322)
Interest	1,000		(1,000)	140,165	150,580	10,415
Miscellaneous		1,901	1,901			
Total Revenues	<u>57,845</u>	<u>39,672</u>	<u>(18,173)</u>	<u>6,181,426</u>	<u>5,398,519</u>	<u>(782,907)</u>
EXPENDITURES						
Current						
General government	79,525	88,438	(8,913)			
Maintenance	71,761	35,023	36,738			
Debt Service				5,940,000	5,940,000	
Principal retirement				1,793,926	1,793,925	1
Interest				7,733,926	7,733,925	1
Total Expenditures	<u>151,286</u>	<u>123,461</u>	<u>27,825</u>	<u>7,733,926</u>	<u>7,733,925</u>	<u>1</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (93,441)</u>	<u>(83,789)</u>	<u>\$ 9,652</u>	<u>\$ (1,552,500)</u>	<u>(2,335,406)</u>	<u>\$ (782,906)</u>
FUND BALANCE (DEFICIT) - OCTOBER 1		<u>89,398</u>			<u>4,003,174</u>	
FUND BALANCE - SEPTEMBER 30		<u>\$ 5,609</u>			<u>\$ 1,667,768</u>	

See notes to the financial statements

**PARKWAY CENTER COMMUNITY DEVELOPMENT DISTRICT
HILLSBOROUGH COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - THE DISTRICT

Parkway Center Community Development District ("District") was established on November 17, 1988 by the Hillsborough County Board of County Commissioners pursuant to the provisions of Chapter 190, "Uniform Community Development District Act of 1980", Florida Statutes, for the purpose of planning, financing, constructing, and maintaining certain district-wide infrastructure on the land owned by Parkway Center, Inc. ("Developer").

The District is governed by the Board of Supervisors ("Board") which is composed of five members. The Supervisors are elected on a at large basis by the owners of the property within the District. Ownership of land within the District entitles the owner to one vote per acre. The Developer "Parkway Center, Inc." owns a majority of the land. The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 190, Florida Statutes.

The Board has the final responsibility for:

1. Assessing and levying maintenance assessments.
2. Approving budgets.
3. Exercising control over facilities and properties.
4. Controlling the use of funds generated by the District.
5. Approving the hiring and firing of key personnel.
6. Financing improvements.

Reporting Entity

The District's financial statements include the operations of all Organizations for which the District Board of Supervisors is considered to be financially accountable. There are no entities considered to be component units of the District; therefore, the financial statements include only the operations of the District. As a result of the facts and circumstances discussed above, the District is treated as a separate entity from that of the County.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accounts of the District are organized on the basis of funds and account groups each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. The various funds are grouped in the financial statements in this report, into one fund types and two account group categories as follows:

Governmental Fund Type

General Fund

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund

The Debt Service fund accumulates the funds needed to provide for the debt service payments for the special assessment debt.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Account Groups

General Fixed Assets Account Group

The General Fixed Assets Account Group is a self balancing set of accounts used to account and control the fixed assets of the District utilized in its operations. Public domain general fixed assets consisting of certain improvements are capitalized and valued at historical cost. The District capitalizes interest paid during the construction of improvements. No interest have been capitalized during the current year as the District has ceased all of its construction. No depreciation has been provided on general fixed assets.

General Long Term Debt

The General Long Term Debt Account Group is a self balancing set of accounts used to account for debt not properly accounted for in the governmental funds.

Basis of Accounting

The accounting and financial reporting treatment applied to all funds is determined by its measurement focus. All Governmental Funds are accounted for on a spending measurement focus. Only current assets and current liabilities are generally included in their balance sheet. Their operating statements present sources (revenue and other financing sources) and uses (expenditures and other financing uses) of available spendable resources (net current assets) during the period.

The modified accrual basis of accounting is used for all governmental fund types. Under this method, revenues are recorded when received in cash, except in cases where they are both measurable and available. "Measurable" means that the amount of transaction can be determined and "available" means that the amount of the transaction is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when goods or services are received and actual liabilities are incurred. Disbursements for the purchase of capital assets providing future benefits are considered expenditures and are accounted for in the General Fixed Assets Account Group. Principal and interest on general long term debt are recorded as fund liabilities when due.

Those revenues susceptible to accrual are special assessment taxes, developer contributions and interest revenue.

Budget Requirements

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- a) Prior to July 15, the District's Financial Manager submits to the Board of Supervisors a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- b) Public hearings are conducted to obtain taxpayer comments.
- c) Prior to October 1, the budget is legally adopted by the Board.
- d) All budget changes must be approved by the Board of Supervisors.
- e) The budget for the General Fund and the Debt Service Fund is adopted on a basis consistent with generally accepted accounting principles.
- f) Unused appropriations for annually budgeted funds lapse at the end of the year.
- g) The budget amounts shown in the financial statements are the final authorized amounts.

The General Fund budget was amended to reflect certain reclassifications of appropriations for \$2,968. The Debt Service Fund budget was amended by increasing revenues by \$5,247,939 and appropriations by \$5,940,000.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Special Assessments

The District is required to impose special assessments on each parcel of benefitted land within the District in accordance with the Bond Indenture. Certain assessments are collected upon closing on each lot sold and are used to prepay a portion of the Bonds and to pay a portion of the interest owed. All of the special assessments for the fiscal year ended September 30, 1999 related to prepayments collected on property sold by the Developer. The prepayments represent the entire debt allocated to those acres. The District must also levy and collect additional annual assessments to provide funds for additional debt service on the portion of the Bonds which are not paid for from the prepaid assessments. In conformance with governmental accounting principles, taxes relating to the current budget and collected within sixty (60) days after the end of the budget period are recognized as revenue currently.

Investments

Investments consisting of cash management accounts investing in short term government obligations are stated at cost which approximates market value.

Encumbrances

The District does not have a formalized encumbrance accounting system. However, substantially all the significant expenditures for consultants, management, and maintenance costs, are performed under contract.

Total Columns on Combined Statement

Total columns on the combined statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Also, such data is not comparable to a consolidation.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 3 - CASH AND SHORT TERM INVESTMENTS

The composition of the District's cash at September 30, 1999 was as follows:

	Carrying Balance	Financial Institution Balance
Insured - FDIC	\$ 2,594	<u>\$ 6,843</u>
Investment with state board of administration		
Local Government Surplus Trust Funds		
Investment Pool	<u>292</u>	
	<u>\$2,886</u>	

The difference between the carrying amount and financial institution balance is due to outstanding checks.

NOTE 3 - CASH AND SHORT TERM INVESTMENTS (CONTINUED)

In addition to insurance provided by the Federal Depository Insurance Corporation (FDIC), all cash in bank is held in a banking institution approved by the State of Florida, State Treasurer to hold public funds. Under the Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", the State Treasurer requires all qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral equal to a determined percentage of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. Government and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

Investment with the State Board of Administration Local Government Surplus Trust Funds ("Investment Pool") meets the criteria to be "2A-7 like pool" as defined in GASB #31. Consequently, this investment is carried at amortized cost. The District considers investments purchased in the State Board of Administration Local Government Surplus Trust Funds to be cash equivalents.

A "2A-7 like pool" is an external investment pool that is not registered with the SEC as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940 (17 Code of Federal Regulations section 270.2a-7). Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than market value to report net assets to compute share prices if certain conditions are met. Those conditions include restrictions on the types of investments held, restrictions on the term-to-maturity of individual investments and the dollar-weighted average of the portfolio, requirements for portfolio diversification, requirements for divestiture considerations in the event of security downgrades and defaults, and required actions if the market value of the portfolio deviates from amortized cost by a specified amount.

NOTE 4 - INVESTMENTS

The District has elected to proceed under the Alternative Investment Guidelines as set forth in Section 218.415 (15) Florida Statutes.

Certain investments are required to be categorized to give an indication of the level of risk assumed by the entity at year end. The three categories of risk are:

- 1) Insured or registered, or securities held by the entity or its agent in the entities name.
- 2) Uninsured and unregistered, with securities held by the counter-party's trust department or agent in the entities name.
- 3) Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the entities name.

For the fiscal year 1999, the District invested only in cash management accounts. The District records all interest revenue related to investment activities in the respective funds.

	CARRYING AMOUNT	MARKET VALUE
Cash management account	<u>\$1,661,748</u>	<u>\$1,661,748</u>

The cash management account investments are not categorized because they are not evidenced by securities that exist in physical or book entry form.

NOTE 5 - GENERAL FIXED ASSETS

There were no transactions in general fixed assets during the fiscal year ended September 30, 1999.

	<u>Land</u>	<u>Infrastructure Improvements</u>	<u>Office Equipment</u>	<u>Total</u>
Balance, September 30, 1998	\$4,401,367	\$8,272,266	\$ 704	\$12,674,337
Additions	0	0	0	0
Deletions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Balance, September 30, 1999	<u>\$4,401,367</u>	<u>\$8,272,266</u>	<u>\$ 704</u>	<u>\$12,674,337</u>

The entire cost of general fixed assets was paid from the proceeds of the special assessments bonds.

NOTE 6 - GENERAL LONG TERM DEBT

On November 12, 1998, the District issued \$21,150,000 of Special Assessment Refunding Revenue Bonds, Series 1998, due May 1, 2017 with an interest rate of 8.50%. Interest is paid semiannually on each May 1 and November 1, commencing May 1, 1999. Principal is paid serially commencing May 1, 2000 through May 1, 2017.

The Bonds may, at the option of the District, be called for redemption as a whole at any time or in part on any interest payment date on or after May 1, 2007 at a redemption price set in the Bond Indenture.

The Bonds are also subject to extraordinary mandatory redemption prior to their selected maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Bond Indenture. This occurred during the year ended September 30, 1999 as the District collected assessments related to the sale of property by the Developer and prepaid \$5,940,000 of the Bonds.

The Bond Indenture requires that the District maintain adequate funds in a reserve account to meet the debt service reserve requirement as defined in the Indenture. The requirement has been met for fiscal year ended September 30, 1999.

The Bond Indenture has certain restrictions and requirements relating principally to the use of proceeds and the procedures to be followed by the District on assessments to property owners. The District agreed to levy special assessments in annual amounts adequate to provide for payment of debt service and reserve requirements. The District is in compliance with the requirements of the Bond Indenture.

Long-term Debt Transactions

The following is a summary of bond transactions for the fiscal year ended September 30, 1999:

	<u>General Long-Term Debt Account Group</u>
Balance, October 1, 1998	\$ 21,105,000
Additions	
Deletions	<u>(5,940,000)</u>
Bond payable at September 30, 1999	<u>\$15,165,000</u>

NOTE 6 - GENERAL LONG TERM DEBT (CONTINUED)

At September 30, 1999, the scheduled debt service requirements on the Special Assessment Refunding Revenue Bonds were as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 370,000	\$ 1,014,513	\$ 1,384,513
2001	405,000	1,033,788	1,438,788
2002	440,000	1,051,575	1,491,575
2003	480,000	1,072,875	1,552,875
2004	520,000	1,092,475	1,612,475
2005 through 2017	<u>12,950,000</u>	<u>24,988,549</u>	<u>37,938,549</u>
Total	<u>\$15,165,000</u>	<u>\$30,253,775</u>	<u>\$45,418,775</u>

NOTE 7 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

**PARKWAY CENTER COMMUNITY DEVELOPMENT DISTRICT
SCHEDULE OF OPERATING EXPENDITURES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1999**

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
General government			
Supervisor fees	\$ 6,000	\$ 4,600	\$ 1,400
Attorney fees	8,000	22,912	(14,912)
Engineering fees	3,187		3,187
Accounting	9,000	9,000	
Annual audit	7,500	7,500	
Recording secretary	5,000	5,000	
Management fees	21,000	21,000	
Trustee	6,113	5,149	964
Telephone	45	63	(18)
Postage	655	635	20
Rentals and leases	2,400	2,400	
Insurance	1,500	902	598
Printing and binding	500	299	201
Legal advertising	1,000	1,999	(999)
Office supplies	500	211	289
Fees and licenses	175	175	
Other current charges	200	393	(193)
Rebate calculation	1,500	1,200	300
Dissemination	5,000	5,000	
Computer time	250		250
Total General government	<u>79,525</u>	<u>88,438</u>	<u>(8,913)</u>
Maintenance			
Utilities-street lighting	6,300	6,680	(380)
Contingencies	2,000		2,000
Monitoring/Mitigation	3,000	350	2,650
Maintenance	60,461	27,993	32,468
Total maintenance	<u>71,761</u>	<u>35,023</u>	<u>36,738</u>
Total	<u>\$ 151,286</u>	<u>\$ 123,461</u>	<u>\$ 27,825</u>

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF GENERAL-PURPOSE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Supervisors
Parkway Center Community Development District,
Hillsborough County, Florida

We have audited the general-purpose financial statements of Parkway Center Community Development District, Hillsborough County, Florida as of and for the fiscal year ended September 30, 1999, and have issued our report thereon dated January 12, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

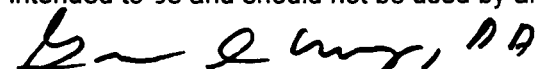
Compliance

As part of obtaining reasonable assurance about whether the Parkway Center Community Development District's general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of general-purpose financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Parkway Center Community Development District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we considered to be material weaknesses.

This report is intended solely for the information and use of the Management, Board of Supervisors of Parkway Center Community Development District, and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than the specified parties.


January 12, 2000

**MANAGEMENT LETTER PURSUANT TO THE RULES OF
THE AUDITOR GENERAL FOR THE STATE OF FLORIDA**

To the Board of Supervisors
Parkway Center Community Development District
Hillsborough, Florida

We have audited the accompanying general-purpose financial statements of the Parkway Center Community Development District, Hillsborough County, Florida (the "District") as of and for the fiscal year ended September 30, 1999, and have issued our report thereon dated January 12, 2000.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement.

The purpose of this letter is to comment on those matters described in Rule 10.554(1)(e) as required by the Rules of the Auditor General for the State of Florida. Accordingly, in connection with our audit of the general-purpose financial statements of the District, as described in the first paragraph, we report the following which is included on page 14:

- I. **Current year findings and recommendations.**
- II. **Status of prior year findings and recommendations.**
- III. **Compliance with the Provisions of the Auditor General of the State of Florida.**

We previously reported on the District's internal control in our report dated January 12, 2000 on page 12.

This report is intended solely for the information and use of the Management, Board of Supervisors of Parkway Center Community Development District, and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than the specified parties.

We wish to thank the Parkway Center Community Development District, Hillsborough County, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements and the courtesies extended to us.



January 12, 2000

LETTER TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

None

III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

1. There were no irregularities reported in the preceding annual financial audit.
2. The recommendations made for the year ended September 30, 1998 are listed under II.
3. The financial report filed with the Department of Banking and Finance pursuant to Section 218.32(1)(a), Florida Statutes agrees with the September 30, 1999 financial audit report.
4. The District is not and was not in a state of financial emergency as a consequence of conditions described in section 218.503(1), Florida Statutes.
5. The current year recommendations, are shown under item I above.
6. There were no violations of laws, rules and regulations discovered within the scope of the financial audit which may, or may not, materially affect the general-purpose financial statements.
7. There were no illegal or improper expenditures within the scope of the financial audit which do, or do not, materially affect the general-purpose financial statements.
8. There were no matters requiring correction (as defined by the Rules of the Auditor General 10.54,(1)(e)(9)) which may, or may not, materially affect the general-purpose financial statements.
9. The Parkway Center Community Development District was established on November 17, 1988 by the Hillsborough County Board of County Commissioners, pursuant to the provisions of Chapter 190, "Uniform Community Development District Act of 1980", Florida Statutes. The District is governed by the Board of Supervisors, which is composed of five members.
10. The District was in compliance with the provisions of Chapter 10.400 on Tangible Personal Property.

Parkwy99