

In the opinion of Bond Counsel, assuming compliance with existing statutes, regulations, rulings and court decisions, interest on the 2004 Bonds is excluded from gross income for federal tax income 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 2004 Bonds. Bond Counsel is further of the opinion that the 2004 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)**

\$6,780,000 Special Assessment Revenue Refunding Bonds, Series 2004A

\$15,830,000 Special Assessment Revenue Refunding Bonds, Series 2004B

Dated: August 1, 2004

Due Date: As set forth below.

The \$6,780,000 Parkway Center Community Development District Special Assessment Revenue Refunding Bonds, Series 2004A (the "2004A Bonds") and the \$15,830,000 Parkway Center Community Development District Special Assessment Revenue Refunding Bonds, Series 2004B (the "2004B Bonds," together with the 2004A Bonds, collectively, the "2004 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 2004 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 (the "State"), was established under and pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act").

The 2004 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 2004 Bonds will be made in book-entry only form. Accordingly, principal of and interest on the 2004 Bonds will be paid from the sources provided below by SunTrust 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 2004 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 2004 Bonds. See "DESCRIPTION OF THE 2004 BONDS - Book-Entry Only System" herein. The 2004 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, 2004.

The 2004A 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 2004 BONDS - 2004A Bonds" set forth in this Limited Offering Memorandum.

The 2004B 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 2004 BONDS - 2004B Bonds" set forth in this Limited Offering Memorandum.

The 2004 Bonds are being issued by the District pursuant to the Act, Resolution No. 2004-12 adopted by the Board of Supervisors of the District (the "Board") on July 30, 2004 (the "Resolution"), and a Master Trust Indenture dated as of May 1, 1990 (the "Master Indenture") between the District and the Trustee as the ultimate successor to First Union National Bank, as supplemented by that certain Seventh Supplemental Trust Indenture between the District and the Trustee, dated as of August 1, 2004 (the "Supplemental Indenture" and, together with the Master Indenture, the "Indenture"). Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture.

The 2004 Bonds are being issued to: (i) refund, through purchase, a portion of the Outstanding principal amount of the 2000A Bonds (as defined herein) and all of the Outstanding principal amount of the 2000B Bonds (as defined herein); (ii) to pay capitalized interest through November 1, 2004 on the 2004 Bonds; (iii) pay certain costs associated with the issuance of the 2004 Bonds; and (iv) make a deposit into the Series 2004 Reserve Accounts for the benefit of all the 2004 Bonds.

The 2004 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 "2004 Assessments"). The 2004 Assessments will be levied upon land within the District specially benefitted by certain infrastructure improvements previously acquired, constructed and equipped by the District with the proceeds of prior bond issues, such indebtedness to be refunded by the 2004 Bonds. See "THE PROJECT" herein for a more detailed description of such improvements.

The 2004 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 or the County. The issuance of the 2004 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 2004 Assessments. The 2004 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 2004 BONDS. THE UNDERWRITER IS INITIALLY LIMITING THIS OFFERING TO ACCREDITED INVESTORS WITHIN THE MEANING OF THE RULES OF THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES. PROSPECTIVE INVESTORS SHOULD BE AWARE OF CERTAIN RISK FACTORS THAT COULD DELAY OR PREVENT PAYMENT OF PRINCIPAL OF, AND/OR INTEREST ON THE 2004 BONDS. SEE "SECURITY FOR AND SOURCE OF PAYMENT OF THE 2004 BONDS" AND "BONDHOLDERS' RISKS" HEREIN FOR A SUMMARY OF CERTAIN OF THESE RISKS. EACH PROSPECTIVE INVESTOR SHOULD CONDUCT ITS OWN INVESTIGATION INTO THE DISTRICT, THE SOURCES OF PAYMENT FOR THE 2004 BONDS AND THE RISKS OF INVESTMENT IN THE 2004 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 2004 Bonds. Investors must read the entire Limited Offering Memorandum to obtain information essential to the making of an informed investment decision.

MATURITY SCHEDULE

\$3,075,000 -- 6.125% Series 2004A Term Bonds due May 1, 2024 -- Price 99.141% -- CUSIP 701542AG7
 \$3,705,000 -- 6.300% Series 2004A Term Bonds due May 1, 2034 -- Price 98.993% -- CUSIP 701542AE2
 \$15,830,000 -- 5.625% Series 2004B Term Bonds due May 1, 2014 -- Price 99.436% -- CUSIP 701542AF9

The 2004 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 2004 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, Schifino, Mangione & Steady, P.A., Tampa, Florida; and for the Developer by its counsel, Molloy & James, Tampa, Florida; and by Greenberg Traurig, P.A., Orlando, Florida, Underwriter's Counsel. It is expected that the 2004 Bonds will be available through the facilities of DTC in New York, New York on or about August 11, 2004.

PRAGER, SEALY & CO., LLC

Dated: July 30, 2004

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 2004 Bonds and there shall be no offer, solicitation, or sale of the 2004 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.

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS LIMITED OFFERING MEMORANDUM CONSTITUTE "FORWARD-LOOKING STATEMENTS." SUCH STATEMENTS GENERALLY ARE IDENTIFIABLE BY THE TERMINOLOGY USED, SUCH AS "PLAN," "EXPECT," "ESTIMATE," "BUDGET" OR OTHER SIMILAR WORDS. SUCH FORWARD-LOOKING STATEMENTS INCLUDE BUT ARE NOT LIMITED TO CERTAIN STATEMENTS CONTAINED IN THE INFORMATION UNDER THE CAPTIONS "ESTIMATED SOURCES AND USES OF PROCEEDS" AND "THE DEVELOPMENT" IN THIS LIMITED OFFERING MEMORANDUM. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS THAT MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. ASIDE FROM ITS CUSTOMARY FINANCIAL REPORTING ACTIVITIES, NEITHER THE OWNER, THE DEVELOPER (AS BOTH ARE DEFINED HEREIN) NOR THE DISTRICT PLANS TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, SUBJECT TO ANY CONTRACTUAL OR LEGAL RESPONSIBILITIES TO THE CONTRARY.

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 2004 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 2004 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 2004 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 2004 BONDS. THE DISTRICT HAS PASSED UPON THE ACCURACY AND FACTUAL COMPLETENESS OF THIS LIMITED OFFERING MEMORANDUM, OTHER THAN THOSE SECTIONS CAPTIONED "DESCRIPTION OF THE 2004 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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Table of Contents

	<u>Page</u>
INTRODUCTION	1
DESCRIPTION OF THE 2004 BONDS	2
General.....	2
No Parity Bonds.....	4
Redemption Provisions	4
2004A Bonds	5
2004B Bonds.....	7
Amortization Installments; Order of Redemption	8
Notice of Redemption	8
Book-Entry Only System.....	8
ESTIMATED SOURCES AND USES OF PROCEEDS.....	12
DEBT SERVICE REQUIREMENTS FOR 2004A BONDS	13
DEBT SERVICE REQUIREMENTS FOR 2004B BONDS.....	14
SECURITY FOR AND SOURCE OF PAYMENT OF THE 2004 BONDS.....	15
2004 Assessment Revenues	15
Pledge and Lien of 2004 Assessment Revenues.....	15
Collection of 2004 Assessments	16
Enforcement of Payment of 2004 Assessments.....	16
Owner Prepayment Waiver.....	19
FUNDS AND ACCOUNTS	19
Acquisition and Construction Fund	19
Debt Service Fund.....	20
Tender Fund.....	20
Reserve Fund	20
Revenue Fund	21
Investment Earnings.....	24
Developer Reserve Fund.....	24
Rebate Fund	25
BONDHOLDERS' RISKS.....	25
PRIOR DEFAULTS RELATED TO 1990 BONDS AND 2000 BONDS	27
The 1990 Bonds	27
The 2000 Bonds	32
Settlement with Prior Developer; Transfer of Property to 2000 Trustee.....	32
THE PROJECT.....	33
Additional Improvement Costs to be Paid by Developer	33
THE DISTRICT.....	33
Introduction.....	33
Board of Supervisors.....	35
The District Manager and Other Consultants	36
DISCLOSURE OF MULTIPLE ROLES	37
THE OWNER.....	37
Land Option Agreement	37

THE DEVELOPER	38
THE DEVELOPMENT	40
General.....	40
Parkway Center DRI.....	41
DRI Extension.....	41
Zoning Approval.....	42
Land Use and Development Plan.....	43
Development and Sales History.....	43
Residential Community	44
Projected Absorption	45
Marketing.....	45
Educational Facilities.....	45
Assessment Area.....	46
Fees and Assessments.....	46
Competition.....	46
TAX MATTERS.....	48
TAX TREATMENT OF ORIGINAL ISSUE DISCOUNT	49
AGREEMENT BY THE STATE	50
LEGALITY FOR INVESTMENT	50
DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS	50
CONTINUING DISCLOSURE.....	51
ENFORCEABILITY OF REMEDIES	51
LITIGATION.....	51
RATING	52
UNDERWRITING	52
VALIDATION.....	52
EXPERTS	52
AUDITED FINANCIAL STATEMENTS	52
LEGAL MATTERS.....	52
MISCELLANEOUS	53

APPENDIX A	COMPOSITE FORMS OF MASTER TRUST INDENTURE AND SEVENTH SUPPLEMENTAL TRUST INDENTURE
APPENDIX B	FORM OF OPINION OF BOND COUNSEL
APPENDIX C	FORM OF CONTINUING DISCLOSURE AGREEMENT
APPENDIX D	SPECIAL ASSESSMENT ALLOCATION REPORT
APPENDIX E	INDEPENDENT AUDITORS' REPORT AND GENERAL FINANCIAL STATEMENT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2001

Limited Offering Memorandum

PARKWAY CENTER COMMUNITY DEVELOPMENT DISTRICT (Hillsborough County, Florida)

\$6,780,000 Special Assessment Revenue Refunding Bonds, Series 2004A
\$15,830,000 Special Assessment Revenue Refunding Bonds, Series 2004B

INTRODUCTION

The purpose of this Limited Offering Memorandum is to provide information concerning the \$6,780,000 Parkway Center Community Development District Special Assessment Revenue Refunding Bonds, Series 2004A (the "2004A Bonds") and the \$15,830,000 Parkway Center Community Development District Special Assessment Revenue Refunding Bonds, Series 2004B (the "2004B Bonds," together with the 2004A Bonds, collectively, the "2004 Bonds"). The District was created as a community development district on November 17, 1988, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"). The 2004 Bonds are being issued pursuant to the Act, Resolution No. 2004-12 adopted by the Board of Supervisors of the District (the "Board") on July 30, 2004 (the "Resolution") and a Master Trust Indenture dated as of May 1, 1990 (the "Master Indenture") between the District and SunTrust Bank (the "Trustee") as the ultimate successor to First Union National Bank, as supplemented by that certain Seventh Supplemental Trust Indenture between the District and the Trustee, dated as of August 1, 2004 (the "Supplemental Indenture" and, together with the Master Indenture, the "Indenture"). Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture. See "APPENDIX A – COMPOSITE FORMS OF MASTER TRUST INDENTURE AND SEVENTH SUPPLEMENTAL TRUST INDENTURE" herein.

The 2004 Bonds are not a suitable investment for all investors. See, "BONDHOLDERS' RISKS" herein. The Underwriter is limiting the offering of the 2004 Bonds to Accredited Investors within the meaning of the rules of the Florida Department of Banking and Finance. The 2004 Bonds will be the fourth 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"). The 1997 Bonds refunded the 1990 Bonds and the Notes. The District has also issued its Special Assessment Revenue Bonds, Series 2000A in the original principal amount of \$3,405,000 (the "2000A Bonds") and its Special Assessment Revenue Bonds, Series 2000B in the original principal amount of \$26,595,000 (the "2000B Bonds" and, together with the 2000A Bonds, the "2000 Bonds"). The 2000 Bonds refunded the 1997 Bonds. There are currently \$23,187,950.63 in Outstanding 2000 Bonds. 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 17, 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 2004 Bonds for the purpose of refunding and redeeming its Outstanding 2000 Bonds.

The 2004 Bonds are being issued to: (i) refund, through purchase, a portion of the Outstanding principal amount of the 2000A Bonds (as defined herein) and all of the Outstanding principal amount of the 2000B Bonds (as defined herein); (ii) to pay capitalized interest through November 1, 2004 on the 2004 Bonds; (iii) pay certain costs associated with the issuance of the 2004 Bonds; and (iv) make a deposit into the Series 2004 Reserve Accounts for the benefit of all the 2004 Bonds.

The 2000 Bonds are being redeemed through purchase, at a discount. See "PLAN OF FINANCE" herein.

There follows in this Limited Offering Memorandum a brief description of the District and certain provisions of the Act, summaries of the terms of the 2004 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 2004 Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture.

DESCRIPTION OF THE 2004 BONDS

General

The 2004 Bonds are issueable only in fully registered form, in denominations of \$5,000, provided, however, that the 2004 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 2004 Bonds will be sold only to Accredited Investors within the meaning of the Rules of the Florida Department of Banking and Finance.

The 2004 Bonds will be dated August 1, 2004, shall bear its date of authentication and each 2004 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 2004 Bond has been paid, in which event such 2004 Bond shall bear interest from its date of authentication; or (ii) is prior to the first Interest Payment Date for the 2004 Bonds, in which event, such 2004 Bond shall bear interest from its date. Interest on the 2004 Bonds shall be due and payable on each May 1 and November 1, commencing November 1, 2004, and shall be computed on the basis of a 360-day year of twelve 30-day months.

The 2004 Bonds shall be initially issued in the form of a separate single certificated fully registered 2004 Bond for each series and maturity thereof. Upon initial issuance, the ownership of each such 2004 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 2004 BONDS - Book-Entry Only System" herein. Except as provided herein, all of the Outstanding 2004 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 2004 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 2004 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 2004 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 2004 Bonds. The District, the Trustee, the Bond Registrar and the Paying Agent may treat and consider the person in whose name each 2004 Bond is registered in the registration books kept by the Bond Registrar as the absolute owner of such 2004 Bond for the purpose of payment of principal, premium and interest with respect to such 2004 Bond, for the purpose of giving notices of redemption and other matters with respect to such 2004 Bond, for the purpose of registering transfers with respect to such 2004 Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium, if any, and interest on the 2004 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 2004 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 2004 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 2004 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 2004 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 2004 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 2004 Bonds shall designate, in accordance with the provisions of the Supplemental Indenture.

SunTrust Bank is the successor Trustee, Bond Registrar and Paying Agent for the 2004 Bonds.

The 2004 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 2004 Bonds deposited into certain funds and accounts established pursuant to the Indenture other than the 2004 Rebate Account (the "2004 Pledged Funds and Accounts") and the 2004 Assessment Revenues, and the District is not obligated to pay the 2004B Bonds except from 2004 Assessment Revenues and 2004 Pledged Funds and Accounts (collectively, the "2004 Trust Estate"). The issuance of the 2004 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 2004 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 will covenant and agree that so long as there are any 2004 Bonds Outstanding, it shall not cause or permit to be caused any lien, charge or claim against the 2004 Trust Estate; provided, however, that the District reserves the right to issue bonds, notes or other obligations payable from or secured by the 2004 Trust Estate pledged to the 2004 Bonds, but only so long as such bonds, notes or other obligations are not entitled to a lien upon or charge against the 2004 Trust Estate equal or prior to the lien of this Supplemental Indenture securing the 2004 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 Seventh Supplemental Indenture on such 2004 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 2004 Bonds to payment and the control of remedies and acceleration granted hereunder and under the Indenture.

Redemption Provisions

Redemption Generally. The 2004 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 2004 Bonds shall be called for redemption, the particular 2004 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 2004 Bonds to be redeemed shall be in units of an Authorized Denomination and, in selecting the 2004 Bonds to be redeemed, the Bond

Registrar shall treat each such Bond as representing that number of 2004 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 2004 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 2004 Bond, upon surrender of such 2004 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 2004 Bond or 2004 Bonds in the aggregate principal amount of the unredeemed balance of the principal amount of such 2004 Bond. New 2004 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 2004 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 2004 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.

2004A Bonds

Optional Redemption. The 2004A Bonds are subject to redemption prior to maturity at the option of the District in whole or in part at any time after May 1, 2014, at the Redemption Prices (expressed as percentages of the principal amount of the 2004A Bonds or portions thereof to be redeemed) set forth below, in each case together with accrued interest to the redemption date:

<u>Redemption Periods (Dates Inclusive)</u>	<u>Redemption Prices</u>
May 1, 2014 through April 30, 2015	101%
May 1, 2015 and thereafter	100

Mandatory Redemption. The 2004A Bonds are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the 2004A 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:

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Year	Amortization Installment
May 1, 2005	\$80,000.00
May 1, 2006	85,000.00
May 1, 2007	90,000.00
May 1, 2008	95,000.00
May 1, 2009	105,000.00
May 1, 2010	110,000.00
May 1, 2011	115,000.00
May 1, 2012	125,000.00
May 1, 2013	130,000.00
May 1, 2014	140,000.00
May 1, 2015	150,000.00
May 1, 2016	160,000.00
May 1, 2017	170,000.00
May 1, 2018	180,000.00
May 1, 2019	190,000.00
May 1, 2020	200,000.00
May 1, 2021	215,000.00
May 1, 2022	230,000.00
May 1, 2023	245,000.00
May 1, 2024	260,000.00
May 1, 2025	275,000.00
May 1, 2026	295,000.00
May 1, 2027	310,000.00
May 1, 2028	330,000.00
May 1, 2029	355,000.00
May 1, 2030	375,000.00
May 1, 2031	400,000.00
May 1, 2032	425,000.00
May 1, 2033	455,000.00
May 1, 2034*	485,000.00

*Final Maturity

As more particularly set forth in the Indenture, any 2004A 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 2004A Bonds. Amortization Installments are also subject to recalculation, as provided in the Supplemental Indenture, as the result of the redemption of 2004A Bonds so as to reamortize the remaining Outstanding principal balance of the 2004A Bonds in substantially level installments of principal and interest over the remaining term thereof.

Extraordinary Mandatory Redemption. The 2004A 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) from Prepayments (as defined in the Indenture) deposited into the 2004A Prepayment Subaccount of the 2004 Redemption Account; or
- (ii) on the date on which the amount on deposit in the 2004A Reserve Account, together with other moneys available therefor, are sufficient to pay and redeem all of the 2004A Bonds then Outstanding, including interest thereon.

If less than all of the 2004A Bonds shall be called for redemption, the particular 2004A Bonds or portions of 2004A Bonds to be redeemed shall be selected by lot by the Registrar as provided in the Indenture.

2004B Bonds

The 2004B Bonds are not subject to optional redemption or mandatory redemption.

Extraordinary Mandatory Redemption. The 2004B 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) from Prepayments (as defined in the Indenture) deposited into the 2004B Prepayment Subaccount of the 2004 Redemption Account; or
- (ii) from amounts transferred to the 2004B Prepayment Subaccount of the 2004 Redemption Account resulting from a reduction in the 2004B Reserve Account Requirement as provided for in the Indenture, and, on the date on which the amount on deposit in the 2004B Reserve Account, together with the other moneys available therefor, are sufficient to pay and redeem all of the 2004B Bonds then Outstanding, including accrued interest thereon.

If less than all of the 2004B Bonds shall be called for redemption, the particular 2004B Bonds or portions of 2004B Bonds to be redeemed shall be selected by lot by the Registrar as provided in the Indenture.

Amortization Installments; Order of Redemption

Upon any redemption of 2004A Bonds (other than 2004A Bonds redeemed in accordance with scheduled Amortization Installments and other than 2004A 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 2004A 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 2004A 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 2004 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 2004 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 2004 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 2004 Bonds or such portions thereof on such date, interest on such 2004 Bonds or such portions thereof so called for redemption shall cease to accrue, such 2004 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 2004 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 – COMPOSITE FORMS OF MASTER TRUST INDENTURE AND SEVENTH SUPPLEMENTAL TRUST INDENTURE" herein for additional details concerning the redemption of 2004 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 2004 Bonds. The 2004 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 2004 Bond certificate will be issued for each maturity of the 2004 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 and provides asset servicing for U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments 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 both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, and trust companies, and clearing corporations 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. More information about DTC can be found at <http://www.dtcc.com>.

Purchases of interests in 2004 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2004 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2004 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, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2004 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 2004 Bonds, except in the event that use of the book-entry system for the 2004 Bonds is discontinued.

To facilitate subsequent transfers, all 2004 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 2004 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 2004 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2004 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 2004 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the 2004 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of 2004 Bonds may wish to ascertain that the nominee holding the 2004 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 2004 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 2004 Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2004 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions and dividend payments on the 2004 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 nor its nominee, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of 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 2004 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, 2004 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, 2004 Bond certificates will be printed and delivered.

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ESTIMATED SOURCES AND USES OF PROCEEDS

SOURCES

Par Amount of 2004A Bonds	\$6,780,000.00
Par Amount of 2004B Bonds	15,830,000.00
Original Issue Discount on Series 2004 Bonds	(153,004.80)
Accrued Interest	36,449.90
Developer Deposit	<u>2,000,000.00</u>
TOTAL SOURCES:	\$24,493,445.10

USES

Tender Fund (Including Interest) ⁽¹⁾	\$20,735,510.74
2004 Costs of Issuance Account ⁽²⁾	484,846.88
2004 Capitalized Interest Account ⁽³⁾	289,313.20
2004A Reserve Account	502,105.63
2004B Reserve Account	445,218.75
Accrued Interest	36,449.90
Developer Reserve Fund	<u>2,000,000.00</u>
TOTAL USES:	\$24,493,445.10

⁽¹⁾ Amounts on deposit in the Tender Fund shall be held in trust for the benefit of the Owners of the 2004 Bonds.

⁽²⁾ Includes \$696.88 in contingency funds and Underwriter's Discount of \$339,150.

⁽³⁾ Includes capitalized interest through November 1, 2004 (\$92,550.51 on the Series 2004A Bonds and \$196,762.69 on the Series 2004B Bonds).

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DEBT SERVICE REQUIREMENTS FOR 2004A BONDS

<u>Year</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest*</u>	<u>Total</u>
November 1, 2004			\$105,439.69	\$105,439.69
May 1, 2005	\$80,000.00	6.125%	210,879.38	290,879.38
November 1, 2005			208,429.38	208,429.38
May 1, 2006	85,000.00	6.125%	208,429.38	293,429.38
November 1, 2006			205,826.25	205,826.25
May 1, 2007	90,000.00	6.125%	205,826.25	295,826.25
November 1, 2007			203,070.00	203,070.00
May 1, 2008	95,000.00	6.125%	203,070.00	298,070.00
November 1, 2008			200,160.63	200,160.63
May 1, 2009	105,000.00	6.125%	200,160.63	305,160.63
November 1, 2009			196,945.00	196,945.00
May 1, 2010	110,000.00	6.125%	196,945.00	306,945.00
November 1, 2010			193,576.25	193,576.25
May 1, 2011	115,000.00	6.125%	193,576.25	308,576.25
November 1, 2011			190,054.38	190,054.38
May 1, 2012	125,000.00	6.125%	190,054.38	315,054.38
November 1, 2012			186,226.25	186,226.25
May 1, 2013	130,000.00	6.125%	186,226.25	316,226.25
November 1, 2013			182,245.00	182,245.00
May 1, 2014	140,000.00	6.125%	182,245.00	322,245.00
November 1, 2014			177,957.50	177,957.50
May 1, 2015	150,000.00	6.125%	177,957.50	327,957.50
November 1, 2015			173,363.75	173,363.75
May 1, 2016	160,000.00	6.125%	173,363.75	333,363.75
November 1, 2016			168,463.75	168,463.75
May 1, 2017	170,000.00	6.125%	168,463.75	338,463.75
November 1, 2017			163,257.50	163,257.50
May 1, 2018	180,000.00	6.125%	163,257.50	343,257.50
November 1, 2018			157,745.00	157,745.00
May 1, 2019	190,000.00	6.125%	157,745.00	347,745.00
November 1, 2019			151,926.25	151,926.25
May 1, 2020	200,000.00	6.125%	151,926.25	351,926.25
November 1, 2020			145,801.25	145,801.25
May 1, 2021	215,000.00	6.125%	145,801.25	360,801.25
November 1, 2021			139,216.88	139,216.88
May 1, 2022	230,000.00	6.125%	139,216.88	369,216.88
November 1, 2022			132,173.13	132,173.13
May 1, 2023	245,000.00	6.125%	132,173.13	377,173.13
November 1, 2023			124,670.00	124,670.00
May 1, 2024	260,000.00	6.125%	124,670.00	384,670.00
November 1, 2024			116,707.50	116,707.50
May 1, 2025	275,000.00	6.300%	116,707.50	391,707.50
November 1, 2025			108,045.00	108,045.00
May 1, 2026	295,000.00	6.300%	108,045.00	403,045.00
November 1, 2026			98,752.50	98,752.50
May 1, 2027	310,000.00	6.300%	98,752.50	408,752.50
November 1, 2027			88,987.50	88,987.50
May 1, 2028	330,000.00	6.300%	88,987.50	418,987.50
November 1, 2028			78,592.50	78,592.50
May 1, 2029	355,000.00	6.300%	78,592.50	433,592.50
November 1, 2029			67,410.00	67,410.00
May 1, 2030	375,000.00	6.300%	67,410.00	442,410.00
November 1, 2030			55,597.50	55,597.50
May 1, 2031	400,000.00	6.300%	55,597.50	455,597.50
November 1, 2031			42,997.50	42,997.50
May 1, 2032	425,000.00	6.300%	42,997.50	467,997.50
November 1, 2032			29,610.00	29,610.00
May 1, 2033	455,000.00	6.300%	29,610.00	484,610.00
November 1, 2033			15,277.50	15,277.50
May 1, 2034**	<u>\$485,000.00</u>	6.300%	<u>\$15,277.50</u>	<u>\$500,277.50</u>
TOTALS	\$6,780,000.00		\$8,322,490.31	\$15,102,490.31

*Includes accrued interest and capitalized interest.

**Final Maturity

DEBT SERVICE REQUIREMENTS FOR 2004B BONDS

<u>Year</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest*</u>	<u>Total</u>
November 1, 2004			\$222,609.38	\$222,609.38
May 1, 2005			445,218.75	445,218.75
November 1, 2005			445,218.75	445,218.75
May 1, 2006			445,218.75	445,218.75
November 1, 2006			445,218.75	445,218.75
May 1, 2007			445,218.75	445,218.75
November 1, 2007			445,218.75	445,218.75
May 1, 2008			445,218.75	445,218.75
November 1, 2008			445,218.75	445,218.75
May 1, 2009			445,218.75	445,218.75
November 1, 2009			445,218.75	445,218.75
May 1, 2010			445,218.75	445,218.75
November 1, 2010			445,218.75	445,218.75
May 1, 2011			445,218.75	445,218.75
November 1, 2011			445,218.75	445,218.75
May 1, 2012			445,218.75	445,218.75
November 1, 2012			445,218.75	445,218.75
May 1, 2013			445,218.75	445,218.75
November 1, 2013			445,218.75	445,218.75
May 1, 2014**	<u>\$15,830,000.00</u>	5.625%	<u>\$445,218.75</u>	<u>\$16,275,218.75</u>
TOTALS	\$15,830,000.00		\$8,681,765.63	\$24,511,765.63

*Includes accrued interest and capitalized interest.

**Final Maturity

SECURITY FOR AND SOURCE OF PAYMENT OF THE 2004 BONDS

2004 Assessment Revenues

The primary source of payment for the 2004 Bonds is the 2004 Assessments imposed, pursuant to the Assessment Proceedings, on each parcel of land within the District that were specially benefitted by the Project (as defined herein). The principal of, premium, if any, and interest on the 2004 Bonds are equally and ratably secured under the Indenture by a first lien upon and pledge of 2004 Assessments collected by or on behalf of the District from landowners or otherwise collected as a result of 2004 Assessments, including amounts received from the collection of Delinquent Assessments (the "2004 Assessments Revenues" or the "2004 Pledged Revenues").

The 2004 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 were specially benefitted and subject to assessments as a result of the 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). 2004 Assessments also consist of amounts received from any foreclosure proceeding for the enforcement of collection of the 2004 Assessments or from the issuance and sale of tax certificates with respect to such 2004 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 2004 Assessment which is not paid within thirty (30) days after the date on which such installment is due and payable. The 2004 Assessments will be levied upon land within the District specially benefitted by certain infrastructure improvements that were acquired, constructed, equipped or refinanced by the District. See "THE PROJECT" herein for a brief summary of such improvements.

Pledge and Lien of 2004 Assessment Revenues

The lien and pledge of the 2004 Assessment Revenues shall be valid and binding from and after the date of delivery of the 2004 Bonds, and the proceeds of the 2004 Bonds and 2004 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 2004 Assessments) provide that county taxes (and the 2004 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 2004 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 2004 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 2004 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 2004 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 2004 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 2004 Assessments.

Collection of 2004 Assessments

The District intends to collect the 2004A Assessments through the Uniform Method of Collection described herein below and to collect the 2004B 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 2004A Assessments, until such property is platted and, in the case of the 2004B Assessments, until such 2004B 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 2004 Bonds.

Enforcement of Payment of 2004 Assessments

To the extent that landowners fail to pay such 2004 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 2004 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 2004 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 2004 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 2004 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 2004 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. Three years from the date of offering for public sale, unsold lands escheat to the county in which they are located and all tax certificates and liens against the property are canceled and a deed is executed vesting title in the county commissioners.

If any property shall be offered for sale for the nonpayment of any 2004 Assessment which is pledged to the 2004 Bonds and no person or persons shall purchase such property for an amount equal to the full amount due on the 2004 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 2004 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 2004 Bonds to which such 2004 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 2004 Assessments, Chapter 170.10, Florida Statutes, provides that upon the failure of any property owner to pay the principal of the 2004 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 2004 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 2004 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 2004 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 2004 Assessments and the methodology for their levy, please refer to "APPENDIX D - SPECIAL ASSESSMENT ALLOCATION REPORT" herein.

Owner Prepayment Waiver

Pursuant to the terms of the Act and the Assessment Proceedings, the owner of property subject to 2004 Assessments may pay the entire balance of the 2004 Assessments used to finance the Project remaining due within thirty (30) days after the Project has been completed and the Board has adopted a resolution accepting the Project as provided by Florida Statutes, Section 170.09, without interest. The Project is completed. The Owner will at the time of delivery of the 2004 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:

(i) *Costs of Issuance Account.* The amount on deposit in the 2004 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 2004 Bonds. At the written direction of an Authorized Officer, any amounts deposited in the 2004 Costs of Issuance Account which are not needed to pay such costs shall be transferred over and deposited into the 2004 Acquisition and Construction Account and used for the purposes permitted therefor; and

- (ii) *2004 Capitalized Interest Account.*

Debt Service Fund

Within the Debt Service Fund held by the Trustee is the (i) 2004 Debt Service Account and therein a 2004A Sinking Fund Account, a 2004B Principal Account, a 2004A Interest Account, and a 2004B Interest Account; and (ii) a 2004 Redemption Account, and, therein a 2004A Prepayment Subaccount, a 2004B Prepayment Subaccount, and an Optional Redemption Subaccount.

Tender Fund

A Tender Fund has been established under the Indenture. Amounts on deposit in the Tender Fund shall be immediately applied by the Trustee upon written direction of the District to the payment of the tender price of the refunded portion of the 2000 Bonds as designated in such written direction. Amounts on deposit in the Tender Fund shall be held in trust for the benefit of the Owners of the 2004 Bonds.

Reserve Fund

Within the Reserve Fund held by the Trustee a 2004A Reserve Account and a 2004B Reserve Account, which shall be jointly held for the benefit of all of the 2004 Bonds, without distinction as to Series of 2004 Bonds and without privilege or priority of one Series of 2004 Bonds over another.

Amounts on deposit in the 2004A Reserve Account and 2004B Reserve Account shall be used, following application of funds in the Developer Reserve Fund, only for the purpose of making payments into the 2004A Interest Account, the 2004A Sinking Fund Account, the 2004B Interest Account and the 2004B Principal Account to pay Debt Service on the 2004 Bonds, as applicable, without distinction as to Series of 2004 Bonds and without privilege or priority of one 2004 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 2004 Investment Obligations.

Anything in the Indenture to the contrary notwithstanding, provided that the Developer Reserve Fund has on deposit therein an amount equal to the Developer Reserve Requirement and there have been no withdrawals from the 2004B Reserve Account which have not been restored, then simultaneously with deposit by the Trustee of 2004B Prepayment Principal into the 2004B Prepayment Subaccount, the Trustee is authorized and directed by the Indenture to recalculate the 2004B Reserve Account Requirement and to transfer any resulting excess on deposit in the 2004B Reserve Account into the 2004B Prepayment Subaccount to be used for the extraordinary mandatory redemption of 2004B Bonds as provided for. See "DESCRIPTION OF THE 2004 BONDS - 2004B Bonds - *Extraordinary Mandatory Redemption*" contained herein.

Notwithstanding the foregoing, on the earliest date on which there is on deposit in the 2004B Reserve Account, sufficient monies, taking into account other monies available therefor, to pay and redeem all of the Outstanding 2004B Bonds, together with accrued interest and redemption premium, if any, on such 2004B Bonds to the earliest date of redemption permitted,

then the Trustee shall transfer the amount on deposit in the 2004B Reserve Account into the 2004B Prepayment Subaccount in the 2004 Redemption Account to pay and redeem all of the Outstanding 2004B Bonds on the earliest date permitted for redemption. See "DESCRIPTION OF THE 2004 BONDS - 2004B Bonds" contained herein.

The 2004A Reserve Account Requirement is defined as the lesser of (i) Maximum Annual Debt Service requirement for all Outstanding 2004A Bonds, (ii) 125% of the average annual debt service for all Outstanding 2004A Bonds, or (iii) 10% of the proceeds of the 2004A Bonds calculated as of the date of original issuance thereof. Initially the 2004A Reserve Account Requirement is \$502,105.63.

The 2004B Reserve Account Requirement is defined as fifty percent (50%) of the Maximum Annual Debt Service Requirement for all Outstanding 2004B Bonds, as determined from time to time pursuant to the Indenture. Initially the 2004B Reserve Account Requirement is \$445,218.75.

Revenue Fund

The Trustee is authorized and directed pursuant to the Indenture to establish within the Revenue Fund a 2004 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 2004 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 2004 Assessment Revenues with the Trustee immediately upon receipt together with a written accounting setting forth the amounts of such 2004 Assessment Revenues in the following categories which shall be deposited by the Trustee into the Funds and Accounts established under the Indenture as follows:

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

- (ii) 2004A Prepayment Principal, which shall be deposited into the 2004A Prepayment Subaccount in the Redemption Account and 2004B Prepayment Principal, which shall be deposited into the 2004B Prepayment Subaccount in the Redemption Account;

- (iii) 2004A Delinquent Assessment Principal, which shall first be applied to restore the amount of any withdrawal from the 2004A Reserve Account to pay the principal of 2004A Bonds, and, the balance, if any, shall be deposited into the Developer Reserve Fund to restore the amounts of any withdrawal from the Developer Reserve Fund to pay the principal of 2004A Bonds, and 2004B Delinquent Assessment Principal, which shall first be applied to restore the amount of any withdrawal from the 2004B Reserve Account to pay the principal of 2004B Bonds, and, the balance, if any, shall be deposited into the Developer Reserve Fund to restore the amount of any withdrawal from

the Developer Reserve Fund to pay the principal of 2004B Bonds, and, the balance, if any shall be deposited into the 2004B Principal Account;

(iv) Delinquent Assessment Interest, which shall first be applied to restore the amount of any withdrawal from the 2004A Reserve Account or the 2004B Reserve Account to pay the interest on 2004 Bonds, and, the balance, if any, shall be applied to restore the amount of any withdrawal from the Developer Reserve Fund to pay interest on the 2004 Bonds, and the balance, if any, shall be deposited into the 2004 Revenue Account; and

(v) all other 2004 Assessment Revenues, which shall be deposited into the 2004 Revenue Account.

Moneys other than 2004 Assessment Revenues, shall, at the written direction of the District be deposited into the Optional Redemption Subaccount of the 2004 Redemption Account and used to pay the principal of and premium, if any, on 2004 Bonds called or to be called for optional redemption at the written direction of the District. See "DESCRIPTION OF THE 2004 BONDS - 2004A Bonds - *Optional Redemption*" herein.

On the forty-fifth (45th) day preceding a date on which an extraordinary mandatory redemption may occur hereunder and under the respective Series of Bonds (or if such forty-fifth (45th) day is not a Business Day, on the first Business Day next preceding such day), the Trustee shall determine the amount on deposit in the 2004A Prepayment Subaccount or the 2004B Prepayment Subaccount of the 2004 Redemption Account, respectively, and, if the balance therein is greater than zero, shall transfer from the 2004 Revenue Account for deposit into such Prepayment Subaccount, an amount sufficient to increase the amount on deposit therein to an integral multiple of \$5,000, and, shall thereupon give notice and cause the extraordinary mandatory redemption of the corresponding Series of 2004 Bonds on the next date permitted hereunder and thereunder for the extraordinary mandatory redemption thereof in the maximum aggregate principal amount for which moneys are then on deposit in such Prepayment Subaccount in accordance with the provisions for extraordinary mandatory redemption of such Series of 2004 Bonds set forth in the respective form of 2004 Bond attached to the Indenture.

On each May 1 (or if such May 1 is not a Business Day, on the Business Day preceding such May 1), the Trustee shall first transfer from the 2004A Capitalized Interest Account to the 2004A Interest Account the lesser of (x) the amount of interest coming due on the 2004A Bonds on such May 1 or the next succeeding November 1, less the amount already on deposit therein, or (y) the amount remaining in the 2004A Capitalized Interest Account. Following the foregoing transfers, on such May 1 (or if such May 1 is not a Business Day, on the Business Day preceding such May 1), the Trustee shall then transfer amounts on deposit in the 2004 Revenue Account to the Funds and Accounts designated below in the following amounts and in the following order of priority:

FIRST, from the 2004 Revenue Account to the 2004A Interest Account of the Debt Service Fund, an amount equal to the amount of interest payable on all 2004A Bonds then Outstanding on such May 1 or November 1, less any amount transferred from the 2004A Capitalized Interest Account in accordance with the Indenture, less any other amount already on

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

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

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

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

Anything herein to the contrary notwithstanding, it shall not, a fortiori, constitute an Event of Default under the Indenture if the full amount of the foregoing deposits are not made due to an insufficiency of funds therefor.

On any date required by the Tax Regulatory Covenants, the District shall give the Trustee written direction, and the Trustee shall, transfer from the 2004 Revenue Account to the Rebate Account established for the 2004 Bonds in the Rebate Fund in accordance with the Indenture, the amount due and owing to the United States, which amount shall be paid, to the United States, when due, in accordance with such Tax Regulatory Covenants.

On or after each November 2, the balance on deposit in the 2004 Revenue Account shall, at the written direction of the District be transferred by the Trustee to be used for any lawful District Purpose; provided, however, that on the date of such proposed transfer the amount on deposit in the 2004A Reserve Account and the 2004B 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 Indenture relating to any of the 2004 Bonds, including the payment of Trustee's fees and expenses then due.

Anything in the Indenture to the contrary notwithstanding, earnings on investments in all of the Funds and Accounts held as security for the 2004 Bonds shall be invested only in 2004 Investment Obligations, and further, earnings on the 2004 Acquisition and Construction Account and the subaccounts therein shall be retained, as realized, in such Accounts or subaccounts and used for the purpose of such Account or subaccount. Earnings on investments in the 2004 Sinking Fund Accounts and the 2004 Redemption Account shall be deposited, as realized, to the credit of the 2004 Revenue Account and used for the purpose of such Account.

Investment Earnings

Earnings on investments in each 2004 Reserve Account shall be disposed of as follows:

(i) if there was no deficiency (as defined in the Indenture) in the related Series 2004 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 the case of the 2004A Reserve Account, shall, through November 1, 2004, be deposited into the 2004A Capitalized Interest Account and shall thereafter, and in the case of earnings on the 2004A Reserve Account and the 2004B Reserve Account shall be, allocated to and deposited into the 2004 Revenue Account in the Revenue Funds; and

(ii) if as of the last date on which amounts on deposit in a 2004 Reserve Account were valued by the Trustee there was a deficiency (as defined in the Indenture) in such Reserve Account, or if after such date withdrawals have been made from a 2004 Reserve Account and have created such a deficiency, then earnings on investments in the case of the 2004A Reserve Account shall, through November 1, 2004, be deposited into the 2004A Capitalized Interest Account, and shall thereafter, and in the case of earnings on the 2004B Reserve Account shall be, allocated to and deposited into the 2004 Revenue Account in the Revenue Fund.

Developer Reserve Fund

Concurrently with the issuance and delivery of the 2004 Bonds, the Owner, pursuant to the Land Option Agreement described in the section herein captioned "THE OWNER," shall cause to be deposited into the Developer Reserve Fund an amount equal to the Developer Reserve Requirement. Amounts on deposit in the Developer Reserve Account shall be used, prior to any withdrawal from the 2004A Reserve Account or the 2004B Reserve Account, for the purpose of making payments into the 2004A Interest Account, the 2004A Sinking Fund Account, the 2004B Interest Account and the 2004B Principal Account to pay Debt Service on the 2004B Bonds, when due, without distinction as to Series of 2004 Bonds and without privilege or priority of one 2004 Bond over another, to the extent the moneys on deposit in such Accounts therein and available therefor are insufficient and for no other purpose. The Developer Reserve Fund shall consist only of cash and 2004 Investment Obligations.

The Developer Reserve Requirement is subject to reduction, in part, in a minimum amount of \$50,000.00, no more frequently than once per calendar month, following receipt by the Trustee of written notice requesting such release. Such notice of release from the District shall contain a certification of the amount of such release as determined in accordance with the following sentence. The amount of any partial reduction in the Developer Reserve Requirement shall be calculated by subtracting from the original Two Million Dollar (\$2,000,000) Developer Reserve Requirement the result of multiplying Two Million Dollars (\$2,000,000) by a fraction, the numerator of which is (X) the total 2004B Assessments allocated to tax parcels with respect to which either (1) a certificate of occupancy has been issued, or (2) which tax parcel is owned either by an end-user or by an entity engaged in the business of constructing residences and who

has either paid one semi-annual 2004A Assessment and 2004B Assessment attributable to such tax parcel or has prepaid all of 2004B Assessments attributable to such tax parcel, and the denominator of which is (Y) the total initial amount of the 2004B Assessments. The Trustee shall be entitled to conclusively rely on such District certification.

In addition, the Developer Reserve Fund Requirements shall be reduced to zero on the date on which the 2004B Bonds are no longer Outstanding hereunder and the Trustee shall close the Developer Reserve Fund and pay over to the Developer any funds then remaining on deposit therein.

Anything herein or in the Indenture to the contrary notwithstanding, amounts on deposit in the Developer Reserve Fund in excess of the Developer Reserve Fund Requirement shall be remitted to the Developer no less frequently than monthly; provided, however, that the Trustee may enter into any arrangement satisfactory to it pursuant to which such excess funds are swept into an account of the Developer established with the Trustee bank and the Trustee may withhold from any such transfer the reasonable fees and expenses of the Trustee and the bank appertaining thereto.

Rebate Fund

Within the Rebate Fund held by the Trustee is the 2004 Rebate Account. The District shall comply with the Tax Regulatory Covenants (including deposits to and payments from the 2004 Rebate Account) included as part of the closing transcript for the 2004 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 2004 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 2004 BONDS - 2004 Assessment Revenues;" however, certain additional risks are associated with the 2004 Bonds offered hereby. This section does not purport to summarize all risks that may be associated with purchasing or owning the 2004 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 2004 Bonds.

1. Until further development takes place on the benefitted land within the District, payment of a percentage of the 2004 Assessments is dependent upon their timely payment by the Owner, Oak Creek Land Company, a Florida corporation (the "Owner"). In the event of the institution of bankruptcy or similar proceedings with respect to the Owner or any other subsequent significant owner of property within the District, delays could occur in the payment of Debt Service on the 2004 Bonds as such bankruptcy could negatively impact the ability of: (i) the Developer and any other land owner being able to pay the 2004 Assessments; (ii) the County to sell tax certificates in relation to such property; and (iii) the District to foreclose the lien on the 2004 Assessments if the tax certificates are not sold. In addition, the remedies available to the Owners of the 2004 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 2004 Bonds, including, without limitation, enforcement of the obligation to pay the 2004 Assessments may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the 2004 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 2004 Bonds could have a material adverse impact on the interest of the Owners thereof.

2. The principal security for the payment of the principal of, premium, if any, and interest on the 2004 Bonds is the timely collection of the 2004 Assessments. The 2004 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. There is no assurance that owners of this land will be able to pay the 2004 Assessments or that they will pay such 2004 Assessments even though financially able to do so. 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 2004 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 Project in accordance with applicable zoning, land use and environmental regulations for the Development. Additionally, completion of the proposed Development plan requires attention to, or compliance with, several regulatory matters, as detailed in "THE DEVELOPMENT – DRI Extension" herein. 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.

4. The willingness and/or ability of an owner of land within the District to pay the 2004 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 2004 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 2004 Assessments, would cause the 2004 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 2004 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 2004 Assessments.

5. There is no assurance that a liquid secondary market will exist for the 2004 Bonds in the event an Owner thereof determines to solicit purchasers of the 2004 Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the 2004 Bonds may be sold. Such price may be lower than that paid by the current Owner of the 2004 Bonds, depending on the progress of the Development, existing market conditions and other factors.

6. As referenced earlier in this Limited Offering Memorandum, Owners should note that several mortgage lenders (including a mortgage lender for this Development with a prior Developer) have, in the past, raised legal challenges to the primacy of the liens of 2004 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 2004 Assessment liens are superior to those of the commercial mortgage lenders.

7. Bondholders should note that the Owner and that the obligations of Morrison Homes, Inc. (the "Developer") under the Land Option Agreement are only \$2,005,000 at maximum. Although the Developer has invested \$860,729.15 in order to keep the 2000 Bonds current in anticipation of the issuance of the 2004 Bonds, there is no guaranty that it will make additional payment on the 2004 Assessments associated with the Land Option Land beyond the \$2,000,000 referenced above. The Owner does not currently have a "back up" contract with another homebuilder or developer. See "THE OWNER" herein. Also, the Development will entail an additional equity infusions from the Developer described under the caption "THE PROJECT" herein. There is no guaranty that the Developer will make such contributions. See "THE PROJECT" herein.

This Section does not purport to summarize all risks that may be associated with purchasing or owning the 2004 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 2004 Bonds.

PRIOR DEFAULTS RELATED TO 1990 BONDS AND 2000 BONDS

The 1990 Bonds

As referenced herein, the 1990 Bonds went into default on December 11, 1992. These defaults arose 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 Prior Developer, the owner of substantially all of the property within the District. This case was

instituted by the Prior 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 Prior 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 Prior Developer's Chapter 11 as a bad faith filing, arguing that the Prior 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 Prior Developer filed its petition for the sole purpose of frustrating Mellon's legitimate state law creditor rights.

Subsequently, both the Prior Developer and Mellon each proffered competing claims of reorganization for the Prior 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 Prior Developer was a single asset debtor, and upon its determination that the bankruptcy case was essentially a dispute between the Prior 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 "Predecessor 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 Predecessor Trustee to the Mellon mortgage lien.

The 1990 Bondholder sought and obtained leave to substitute itself for the Predecessor 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 Predecessor Trustee was granted, and the Predecessor Trustee was no longer an active party in the case. Thereafter, the District and the 1990 Bondholder moved to dismiss Mellon's complaint.

After extensive discovery and litigation, inclusive of the District's filing of a foreclosure account against the Prior Developer, a three-way workout was entered into between and among Mellon, the Prior Developer, 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 Prior 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 Judgment 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 Prior 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 Prior 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 stay 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 Prior 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 Prior Developer first bankruptcy was litigated. After various depositions were taken and preliminary hearings were held, the 1990 Bondholder, the District and the Prior Developer entered into settlement negotiations in hopes of agreeing upon a joint plan of reorganization (the "Joint Plan").

After extended negotiations, the Prior 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 Prior 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 Prior 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 Prior 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 Prior 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 Prior 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 Prior 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 Prior 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 Prior 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 Prior Developer was required to deliver a deed to the subject property to an escrow agent as security for all of the Prior Developer's obligations under the Joint Plan.

- f. The parties agreed on a new land use scheme for the subject property and the Prior Developer agreed to obtain whatever governmental permitting might be required in order to effectuate this new land use scheme at the Prior 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 Prior Developer's timely and full performance of all of its material and financial obligations under the Joint Plan; and
 - (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 Prior Developer.

The 1997 Bonds were issued as a current refunding of the 1990 Bonds, with the consent of the 1990 Bondholder and never were subject of a monetary default.

The 2000 Bonds

As referenced above, the District issued its 2000 Bonds on or about May 1, 2000 to, among other things, refund its 1997 Bonds and additionally to provide funds for additional assessable improvements within the District. The 2000 Bonds were sold to a small group of institutional investors (the "2000 Bondholders") and the Prior Developer remained the primary landowner within the District.

The Prior Developer became delinquent in the payment of the assessments securing the 2000 Bonds on or about November 1, 2000. A notice of default was issued by the 2000 Trustee on or about May 15, 2002. On or about May 20, 2002, the Prior Developer and an affiliate of the Developer, filed a complaint against the District and the 2000 Bondholders for mandamus, specific performance, breach of contract, tortious interference, damages and injunctive relief in relation to the event of default and the District's unwillingness to disburse construction fund moneys following the default (the "Prior Developer Suit").

The District initiated foreclosure actions against the Prior Developer on May 23, 2002. The District obtained a summary judgment against the Prior Developer in its foreclosure action, and a foreclosure sale was to have taken place on April 16, 2003. On April 15, 2003, the Prior Developer filed for bankruptcy a third time in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division (the "Bankruptcy Court"), staying the foreclosure sale scheduled for the next day.

On June 27, 2003, the District, the Bondholders and the Developer reached a global settlement agreement (the "Settlement Agreement") pursuant to which the Developer agreed to transfer title to all property owned by the Prior Developer within the District to the District, or an entity designated by the District, and the Developer and its affiliates dismissed the Prior Developer Suit on November 25, 2003. The Settlement Agreement was approved by the Bankruptcy Court on June 30, 2003.

Settlement with Prior Developer; Transfer of Property to 2000 Trustee

As part of the Settlement Agreement with the Prior Developer, title to the land to be encumbered by the 2004 Assessments was transferred to New Parkway, Inc., a Florida corporation, created by the Trustee for the holders of the 2000 Bonds (the "2000 Trustee") on or about September 30, 2003.

Dispossession of the Prior Developer has allowed the District to move forward with the Owner and Developer toward the issuance of the 2004 Bonds, which will result in the 2000 Bondholders tendering their bonds for \$20,735,511. See "ESTIMATED SOURCES AND USES OF PROCEEDS" herein. The Prior Developer has no interest in the land which will be subject to the 2004 Assessments.

On April 29, 2004, the 2000 Trustee, at the direction of the 2000 Bondholders, entered into an Offer for Tender/Intercreditor Agreement, among the 2000 Bondholders, the Developer, and the District (the "Tender Agreement"), wherein the 2000 Bondholders have agreed to tender their bonds to the 2000 Trustee. Additionally, the Tender Agreement provided for a loan from the Developer to the District, the proceeds of which were used to make the May 1, 2004 interest payment on the Series 2000 Bonds. As security for this Note, the Developer received a senior position on the trust estate which secures the 2000 Bonds. Upon issuance and funding of the 2004 Bonds, the Developer is to be repaid by the District. Those portions of the Tender Agreement which affected the Indenture will be removed with the issuance of the 2004 Bonds.

THE PROJECT

The Project financed by the 1990 Bonds and the 2000 Bonds consisted of infrastructure improvements including drainage, roadways, and engineering and construction soft costs. A portion of the Project is complete, and the proceeds of the 2004 Bonds will not include funds for construction of improvements.

Because of the District's construction of certain roadways, the District holds certain Hillsborough County transportation impact fee credits which can be used to off-set impact fees imposed on the construction of new development. At the direction of the Developer, the District shall assign said impact fee credits to the homebuilders purchasing lands subject to the 2004 Assessments. The District shall assign 100% of the amounts necessary to off-set the applicable impact fees for the development associated with the applicable property on a "first come, first served" basis until the impact fee credits are depleted.

Additional Improvement Costs to be Paid by Developer

Based upon the best estimates of Heidt & Associates, Inc., the District's Engineer, the Developer estimates that it will cost approximately \$4,000 per townhouse lot, \$7,000 per 40' and 45' foot lot, \$8,500 per 50' lot, and \$10,000 per 60' lot to finish the lots to be developed within the District which are to be burdened by the 2004 Assessments. These expenditures will need to be funded by the Developer, or another entity, and are not to be paid for from 2004 Bond proceeds.

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, 1988 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 Owner sold the property in the contracted area and all of the 2000 Assessments levied on those properties were prepaid. The new District boundaries contain approximately 616.7 acres, of which 199.3 are developable.

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 2004 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 2004 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.

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

Name	Title	Term Expires (November)	Occupation
Ed Andrews	Chairman	2004	Construction Management
Ron Ruffner	Vice Chair	2006	Developer Representative
Eric Eicher	Assistant Secretary	2004	Real Estate Development/Broker
Clarence Fort	Assistant Secretary	2004	Retired Police Officer; Resident
Mike Storey	Assistant Secretary	2006	Developer Representative

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 defined herein) 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.

Rizzetta & Company, Incorporated (the "District Manager") has been retained as the firm to provide district management services for the District. The District Manager's primary focus since 1989 has been to provide establishment, financial advisory, and management services to community development districts. To date, the District Manager has been involved with over 55 district financings throughout the State, and more than 119 successful bond closings, totaling approximately \$1.5 billion. The District Manager currently manages 51 community development districts. The office of the District Manager is located at 3434 Colwell Avenue, Suite 200, Tampa, Florida 33614, and the telephone number is (813) 933-5571.

F. Peter Williams will direct the district management effort on behalf of the District Manager. Mr. Williams has over 18 years' experience in managing community associations and community development districts throughout the State. Mr. Williams' responsibilities have included overseeing directly and coordinating the planning, financing, purchasing, staffing, and reporting for districts, as well as serving as the governmental liaison for the respective districts. Mr. Williams has also been responsible for the administration of bond funds at the district level, including requisitioning moneys to pay construction contracts and related accounting, and necessary reporting as required by the various bond documents.

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 Rizzetta & Company, Incorporated, Tampa, Florida, as Financial Consultant.

See "APPENDIX E - INDEPENDENT AUDITORS' REPORT AND GENERAL FINANCIAL STATEMENT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2001" 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.

DISCLOSURE OF MULTIPLE ROLES

Bondholders should note that Rizzetta & Company is acting in dual capacities as both District Manager responsible for the administrative operations of the District and Financial Advisor responsible for the Special Assessment Allocation Report attached hereto as Appendix D.

THE OWNER

Oak Creek Land Company (the "Owner") is a Florida corporation formed for the sole purpose of performing the obligations of the "seller" under the Land Option Agreement described herein. As all of the financial obligations relating to the ownership of the Oak Creek Real Property are functionally the obligations of Morrison Homes, Inc., so long as the Land Option Agreement is in force, the Owner does not contemplate performing any financial transactions. If the Land Option Agreement is terminated, the sole obligation of the Owner is to market the Oak Creek Real Property to another builder or developer, with possible direction from the District.

The principals of the Owner are Daniel L. Molloy and Judith L. James, who have acted as local counsel to Morrison Homes, Inc., since its entry into this market in 1995, and have also provided legal services to a number of other local and national builders and land developers in Hillsborough County, Florida, since 1984. Judith L. James has also served twice, in 1989 and 1999, as Vice President of the Tampa Bay Builders Association, a local trade group of homebuilders, land developers, and associates affiliated with the Florida Home Builders Association and National Association of Home Builders. She has been its general counsel since 2000, and has served on and chaired a number of committees of the Florida Home Builders Association.

Land Option Agreement

The Owner and the Developer will have entered into a Land Option Agreement (the "Land Option Agreement") on or about the time of issuance of the 2004 Bonds, wherein the Owner has agreed to extend to the Developer an option to purchase approximately 284 acres of land within the District in exchange for (i) \$1.00 per parcel of optioned land and (ii) a deposit of \$2,000,000 (the "Developer Deposit") into the Developer Reserve Fund created under the Indenture. As described herein, moneys in the Developer Reserve Fund are to be used prior to

funds in the 2004B Reserve Fund to pay Debt Service on the 2004B Bonds. The Land Option Agreement also contains covenants wherein the Developer is required to pay the 2004 Assessments, as well as certain maintenance obligations regarding the optioned land inclusive of general liability insurance, which the Developer must maintain in a minimum amount of \$2,000,000.

The Land Option Agreement also contains provisions for the closing of the sales of optioned land and termination provisions whereby the Developer may terminate the Land Option Agreement at will, but with a forfeiture of the Developer Deposit to the extent the amount of 2004 Assessment that remains outstanding on Developer-owned land subject to the option exceeds the Developer Deposit (to the extent the Developer Deposit exceeds such 2004 Assessment Amount, the Developer would be entitled to a refund of that applicable portion of the Developer Deposit). The Developer's liability under the Land Option Agreement is therefore the Developer Deposit plus liquidated damages set forth in the Land Option Agreement of \$5,000.

The Developer Deposit is subject to reduction as described in the section hereof captioned "FUNDS AND ACCOUNTS – Developer Reserve Fund."

It is anticipated that the Developer will purchase all 1,296 lots in accordance with the Land Option Agreement and sell finished homes to end users. It is expected that the Developer will later sell residential lots to at least two (2) other builders, including Westfield Homes and Smith Family Homes. A short biography of the Developer is provided below.

THE DEVELOPER

The Developer was founded in Seattle in 1905 by C.G. Morrison, and remained in the Morrison family until 1984, when it was acquired by George Wimpey PLC ("Wimpey"). Wimpey is a British based, publicly held company formed more than a century ago. Wimpey began building homes in the 1920's and has become one of the largest home builders in the world, building more homes (850,000) than any other international construction firm. Wimpey boasts an extremely strong financial position, with more than two billion dollars (\$2,000,000,000) in annual revenues and a debt-to-equity ratio of less than forty percent (40%).

Stewart Cline, Chief Executive Officer of the Developer, joined the company in 1994 after a 22-year career with Ryland Homes. Mr. Cline's contributions to the Developer's success are evidenced by his expansion of the company to a national level, reflected in the company's strong financials, and further emphasized by the Developer's high customer satisfaction. Currently, more than 86% of the Developer's homeowners would refer the Developer, compared to the industry average of 74%. Woodland O'Brien Associates rates the Developer among the top five percent (5%) of all homebuilders in the nation for customer satisfaction. With nearly 4,000 home sales annually, the Developer ranks as one of the top twenty-five (25) homebuilders in the United States. In 2000, the Developer was voted "America's Best Builder" by the National Association of Homebuilders and Builder Magazine.

The Developer has always been engaged in general real estate and the development of apartments, subdivisions, neighborhood shopping centers, and custom homes. It focuses

primarily on the development of single-family homes and town homes, located in both stand-alone subdivisions and as part of larger, master-planned communities. Today the Developer operates in twelve (12) geographic markets, including: Austin, Dallas and Houston, Texas; Atlanta, Georgia; Central Valley and Sacramento, California; Denver, Colorado; Phoenix, Arizona; and Jacksonville, Orlando, Sarasota and Tampa, Florida.

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The Developer has built in several communities in the Tampa Bay area, as summarized in the following table:

Community	Total Units	Location	Avg. Lot Size (Sq. Ft.)*	Home Prices*
BonTerra	90	Valrico	2,500	\$190's-290's
Boyette Farms	117	Lithia	2,500	\$190's-240's
Braemar	163	Apollo Beach	2,000	\$140's-200's
Carrillon Estates	79	Tampa	2,700	\$280's-340's
FishHawk Ranch	3,918	Lithia	2,000	\$180's-230's
MiraBay	1,435	Apollo Beach	2,200	\$280's-360's
Southfork	439	Riverview	2,000	\$150's-220's
The Preserve at West Meadows	99	Tampa	2,500	\$210's-330's
Waterchase	765	Tampa	3,000	\$310's-450's
Westbrook Estates	420	Wesley Chapel	2,200	\$160's-220's
Wilderness Lake Preserve	813	Land O' Lakes	1,600	\$130's-150's

THE DEVELOPMENT

General

Oak Creek (the "Development") is a 962-acre master-planned mixed use community which includes the Parkway Center Community Development District. The Development will include 518 single-family units and 778 townhomes in addition to the planned 480 single-family units also located within the District. The Development is located in the south-central portion of Hillsborough County approximately eight (8) miles southeast of downtown Tampa. Major access routes to the Development include the interchange of Interstate-75 and U.S. 301 and the Crosstown Expressway, which are located within five (5) minutes of the Development.

US 301 and Interstate 75 provide direct ten (10) minute access to the Brandon area, which features a large growing concentration of employment centers as well as retail establishments including the Brandon Towne Center mall located within ten (10) miles of the Development, entertainment facilities, restaurants, medical and professional services and other commercial facilities. In addition, Interstate 75 intersects with Crosstown Expressway and

* For Morrison Homes products only.

Interstate 4, which provide access to downtown Tampa and Tampa International Airport located approximately eighteen (18) miles northwest of the Development.

The Developer will market Oak Creek as an affordable community for first-time homebuyers. The area of the County in which the Development is located is a market for value-oriented, first-time homebuyer communities. It is expected that residents will purchase homes within the Development for several reasons including affordable home/lot packages, proximity to schools, easy access to and from I-75, and proximity to nearby shopping and employment areas. The Development is conveniently located to the Westshore/Airport area (Tampa's largest concentration of employment area) and the Brandon and downtown Tampa employment markets.

Parkway Center DRI

The Development was originally approved as a development of regional impact ("DRI") in 1987 pursuant to a Development Order (Resolution No. R87-0334). The Development Order was subsequently amended in 1992, twice in 1997, and in 1999. The Development is approved for 9,776,850 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.

Land Use⁽¹⁾	Phase I	Phase II⁽²⁾	Total
Light Industrial	4,510,700	2,654,650	7,163,350
Service Center	210,100	820,800	1,030,900
High Tech	319,300	538,800	858,100
Office	150,300	346,700	497,000
Commercial	121,500	104,000	225,500
Subtotal	5,311,900	4,464,950	9,776,850
Hotel	100 rooms	160 rooms	260 rooms

⁽¹⁾ All square footages refer to gross square footage.

⁽²⁾ Conceptually approved.

The revised Development Order contains an Equivalency Matrix that allows 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.

DRI Extension

To complete the development plan proposed by the Developer, there are several regulatory matters requiring attention.

First, while the Development Order for Parkway Center expires in 2011, the phasing schedule for Phase I, including all contemplated development, anticipates completion by 2006. The proposed development will require extension of the Phase I completion to 2011. This five year extension may be subject to Development of Regional Impact Review (State Department of

Community Affairs and Tampa Bay Regional Planning Council), and does require filing of a Notice of Proposed Change to the Development Order, which must be approved by Hillsborough County after hearing. The existing Development Order provides that this extension will be granted, and provides further that the traffic methodology used for the original Development Order will govern. Because of these provisions of the Development Order, and because the existing development entitlements under the Development Order would permit the construction of approximately 2,900 residential units while the current development plan provides for approximately 1,785 residential units, the Developer and its traffic consultant believe that the extension of the phasing schedule is not a significant issue.

Second, the Development Order requires the completion of certain further traffic improvements, including the completion of Falkenburg Road to its intersection with 78th Street, and, at the option of the County, construction of a continuous left-turn lane southbound on 78th Street from the northern Project access to Riverview Drive. Both items have been budgeted by the Developer in its development plans.

Third, the present zoning for the Development permits attached multifamily units, including individually-owned townhouses, detached single-family homes on 50-foot-wide lots or greater, and single family on "traditional neighborhood" ("TND" 30-foot-wide-lots or greater). TND must include rear-entry garage, side-entry garage, or front-entry garage with the entry set back at least twenty feet (20') from the front of the building. The Developer's development plan provides for a number of unrestricted 40-foot-wide lots, which is not presently permitted. This will require a zoning change, which is possible; another possibility is for the 40-foot-wide lots to be developed as TND lots, or for the TND definition to be modified to better fit a particular builder's product.

Zoning Approval

In addition to the 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 the development of Oak Creek as a mixed use project with a large residential component. The zoning approval for the Development consists of the following 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

Land Use and Development Plan

The table below illustrates the current land use plan by area and product type for the residential component of the Development within the District. Such land use plan is subject to change.

Area*	Acreage +/-	60' x 115'	50' x 110'	45' x 110'	40' x 110'	TH	TH
						No Garage	No Garage
Area "1"	90.0		254	121			
Area "2"	41.7					174	232
Area "3"	31.2					164	208
Area "4"	24.0	94					
Area "6"	12.4				49		
Total	199.3	94	254	121	49	338	440
Project Total	1296.0						

*See the map included in "APPENDIX D – SPECIAL ASSESSMENT ALLOCATION REPORT."

Development and Sales History

The Developer, Westfield Homes, and Premier Homes (now Smith Family Homes) have been marketing and selling the 489 homes, the improvements for which were partially financed with the Series 2000 Bonds. These homes currently have annual assessments of between \$304 and \$489, depending on lot size. Westfield Homes purchased 108 forty-foot (40') lots early in 2001 and heavily pre-sold units, closing their last units in the first quarter of 2003. The Developer and Premier Homes began closing units in the fourth quarter of 2001 and are currently marketing and selling their products to prospective residents.

The following table represents the closing activity by product type; the 2002 results are indicative of a full year of sales and closings and represent the momentum of the community.

Builder	Lot Size	CLOSINGS					Total Lots Available	Remaining Lots
		2001	2002	2003	2004	Total		
Westfield Homes	40'	43	57	8	0	108	108	0
Morrison Homes	50'	5	34	12	0	51	54	3*
Premier Homes	60'	2	30	18	12	62	73	11
	Subtotal	50	121	38	12	221	235	14
Morrison Homes	50' (future)	0	0	0	0	0	163	163
Morrison Homes	40' (future)	0	0	0	0	0	91	91
	Totals	50	121	38	12	221**	489	268

Due to its location, the Development has essentially become an "in-fill" development as development activity has moved further south into the Ruskin and Apollo Beach locations.

* Correspond to 3 model homes still to be constructed.

** The majority of these homes are now occupied by homeowners.

Morrison Homes has recently completed the construction of the remaining 163 fifty-foot (50') lots and the 91 forty-foot (40') lots. The forty-foot (40') lots were released in April 2004 with 12 sales during that first month, and the fifty-foot (50') lots were released in early May 2004. The Developer believes that there is strong interest and constrained demand for these affordable units, and expects to sell the remaining 242 homes by June 2006.

Provided below is a summary of the size and price range of the homes currently being marketed in the Development:

Product	Square Footage	Price Range
SF – 40'	1,286-1,941	\$139,990-\$159,990
SF – 50'	1,561-2,560	\$159,990-\$204,990
SF – 60'	1,900-2,950	\$200,900-\$245,900

Residential Community

The area of the County in which the Development is located is a market for value-oriented, first-time homebuyer communities. The Developer will market the Development as an affordable community that will target first-time homebuyers. It is expected that residents will purchase homes within the Development for several reasons, including affordable home/lot packages, proximity to schools, easy access to and from I-75, and proximity to nearby shopping and employment areas. The Development is conveniently located to the Westshore/Airport area (Tampa's largest concentration of employment area) and the Brandon and downtown Tampa employment markets.

The following table reflects the Developer's current expectations of product type, number of units, and retail home/lot package prices (all subject to change).

Product Type	Home/Lot Package Prices
SF – 40'/45'	\$140's – \$160's
SF – 50'	\$160's – \$200's
SF – 60'	\$210's - \$260's
TH	\$110's – \$140's

Current community amenities include a swimming pool, a cabana with facilities and changing room, and a basketball court. The Developer does not plan to build additional amenities in the Development.

Projected Absorption

The Developer projects that the 1,296 residential units within the District will be absorbed over an eight (8) year period, as presented in the following table:

Product Type	2005	2006	2007	2008	2009	2010	2011	2012	Total
SF – 40'/45'	36	54	72	8	0	0	0	0	170
SF – 50'	30	48	60	60	56	0	0	0	254
SF – 60'	18	30	30	16	0	0	0	0	94
TH	48	72	96	156	156	156	94	0	778
Total	132	204	258	240	212	156	94	0	1,296

These anticipated absorption rates are based upon estimates and assumptions made by the Developer. Although considered reasonable by the Developer, such estimates and assumptions 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.

Marketing

The Development has been designed to compete with other entry-level master-planned communities in the area. The primary target market segments will be families and younger couples.

Marketing efforts will utilize a variety of media, including billboards, signage, newspapers, radio, real estate magazines, internet, and special events. The Developer will also enter into a joint marketing program with participating builders in addition to their individual local and national marketing programs. Historically, a majority of the sales in the community have come through the local real estate brokerage community, which will continue to be the main source of prospects. All participating builders will be required to build staffed models.

Educational Facilities

Area schools include Ippolito Elementary School located in Parkway Center, Marion Rodgers Middle School located approximately four (4) miles southeast of the Development, and Riverview High School located approximately three (3) miles southeast of the Development. In 2003, both Riverview High School and Rodgers Middle School earned a grade of B from the Florida Department of Education. Ippolito Elementary School opened in the fall of 2002, and was not rated during 2003. A new high school, immediately north of the District, is planned to open in August of 2006.

Assessment Area

The assessments levied in connection with the issuance of the Series 2004 Bonds will be levied against all 1,296 planned residential units situated in the Development. See "APPENDIX D - SPECIAL ASSESSMENT ALLOCATION REPORT" attached hereto.

Fees and Assessments

In addition to the assessments, all residences within the District are subject to applicable annual property taxes, special assessments for operation and maintenance of the District, and homeowner's association fees as described in detail below.

The current approximate millage rate for the area in which the District is located is 23.4741 mills. Assuming an average home cost of \$150,000 with a \$25,000 homestead exemption (\$125,000 taxable value), the annual property tax would be approximately \$2,935.

All residences within the District will be subject to annual homeowner's association ("HOA") fees of approximately \$180. In addition to the HOA fees, all residences within the District will be subject to annual assessments levied for the retirement of the District's 2004 Bonds in the amount set forth below. Additionally, all landowners will be subject to annual operation and maintenance assessments for the operation and maintenance of the District. While the debt service component is a fixed annual amount, the operation and maintenance assessments are subject to fluctuation based upon the budget the District adopts in any given year. There follows two charts representing the total 2004 Assessments by product line and by unit:

Product Type	Annual Long-Term Assessments*	Principal Per Unit
SF 40'/45'	\$450	\$5,594
SF 50'	\$563	\$6,993
SF 60'	\$675	\$8,391
TH	\$338	\$4,196

Product Type	Annual Short-Term Assessments**	Principal Per Unit
SF 40'/45'	\$735	\$13,061
SF 50'	\$918	\$16,326
SF 60'	\$1,102	\$19,592
TH	\$551	\$9,796

*Includes principal, interest, and collection costs.

**Includes interest only.

Competition

Provided below is a description of the communities within the surrounding area. This section does not purport to summarize all of the existing or planned communities in the area of the Development, but rather provides a description of those that the Developer considers to be primary competition to the Development.

Fishhawk Ranch ("Fishhawk"), a 2,108 unit residential community, is located approximately eleven (11) miles from the Development. Fishhawk is 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 and wetlands and open space acreage. In addition to the Developer, several local and national builders are building in Fishhawk including Inland Homes, David Weekley Homes, Windward Homes and Westfield Homes. Fishhawk Ranch currently offers a variety of lot sizes with home and lot package prices ranging from \$70,000 to \$500,000.

Covington Park ("Covington Park") is a 792-unit master-planned community located approximately twelve (12) miles from the Development. Development at Covington Park began in January 2000 and lot sales began in the second half of 2000. Several local and national builders are building in Covington Park including Inland Homes, Cardel Master Builder and Freemar Homes. Covington Park currently offers a variety of lot sizes with home and lot package prices ranging from \$80,000 to \$230,000. To date, approximately 500 lots have been sold to builders and approximately 312 homes are occupied. Covington Park is currently being expanded to include additional residential lots.

Panther Trace ("Panther Trace"), located about 10 miles from the Development, is a 750-unit community being developed by RRG Big Bend, LLC. Panther Trace is being marketed as a value, family-oriented community to first-time and move-up buyers. Lots vary in size from 40' wide to 70' wide with targeted home/lot prices ranging between \$106,000 to \$175,000. Participating builders include Westfield Homes, Premier Homes of Southwest Florida, Weekley Homes and Windward Homes. Panther Trace is currently being expanded to include additional residential lots.

South Pointe ("South Pointe"), located immediately on the west side of US 301, is a 1,200 unit community being developed by Pulte Homes. South Pointe offers only fifty foot (50') lots with 900 to 2,000 square foot homes priced in the low \$100,000s. Sales absorption in South Pointe has been very strong since inception in 1998. Amenities at South Pointe are limited and include a small pool and clubhouse.

Rivercrest ("Rivercrest") is 1,374-unit community being developed by Terrabrook. Development began in late 2000. Rivercrest is planned to offer four (4) single-family lot sizes as well as duplexes and townhomes to builders. Home prices are expected to range in price from \$80,000 to \$200,000 and homes will range in size from 1,200 to 2,500 square feet. To date, approximately 183 homes have been sold.

Kings Lake ("Kings Lake"), located on the north side of Big Bend Road and one-half mile west of Interstate 75, is approximately 13 miles from the Development. A total of 574 fifty foot (50') lots and 432 multi-family units are planned. Maronda Homes and U.S Home/Lennar commenced sales in 2001 and have reported very strong results.

South Fork ("South Fork") is a 439-unit residential development located on the east side of US 301 approximately 15 miles from the Development. Lots vary in width from forty feet (40') to sixty-five feet (65'), with targeted home/lot prices ranging between \$110,000 -

\$190,000. In addition to the Developer, participating builders include KB Home, Maronda Homes, Suarez Housing Corp, and Freemar Homes.

Lakeside ("Lakeside") is a planned 326-lot subdivision located on the east side of US 301, ten (10) miles from the Development. Land development began in mid-2002. Windward Homes and U.S. Home/Lennar have been selected as the builders.

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 2004 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 2004 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the 2004 Bonds. Those requirements include, but are not limited to, provisions which prescribe yield and other limits within which the proceeds of the 2004 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, and published rulings, interest on the 2004 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 2004 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 2004 Bonds and the application of proceeds of the 2004 Bonds. See "APPENDIX B - FORM OF OPINION OF BOND COUNSEL" herein.

Failure by the District to comply subsequent to the issuance of the 2004 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 2004 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 2004 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 2004 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 2004 Bonds may be subject to state or local income taxation under applicable state or local laws in other jurisdictions. Purchasers of the 2004 Bonds should consult their tax advisors as to the income tax status of interest on the 2004 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 2004 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 2004 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 2004 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 2004 Bonds.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance of the 2004 Bonds may affect the tax status of interest on the 2004 Bonds. Moreover, except as stated above, Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the 2004 Bonds. Prospective purchasers of the 2004 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 2004 Bonds and the cost basis of such 2004 Bond to a Bondholder (other than a Bondholder who holds such a 2004 Bond as an inventory, stock in trade or for sale to customers in the ordinary course of business) is "bond premium." 2004 Bond premium is amortized over the term of such a 2004 Bond for federal income tax purposes. A Bondholder is required to decrease his or her basis in such a 2004 Bond by the amount of amortizable bond premium attributable to each taxable year he or she holds the 2004 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 2004 Bonds and with respect to the state and local consequences of owning and disposing of such 2004 Bonds.

Under the Code, the difference between the principal amount of 2004 Bonds (the "Discount 2004 Bonds") and the initial offering price thereof to the public, excluding bond houses and brokers, at which price a substantial amount of such Discount 2004 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 2004 Bond at a constant interest rate

compounded actuarially. A purchaser who acquires a Discount 2004 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 2004 Bond. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of Discount 2004 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 2004 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 2004 Bonds and with respect to the state and local tax consequences of owning and disposing of Discount 2004 Bonds.

AGREEMENT BY THE STATE

Under the Act, the State pledges to the holders of any obligations issued thereunder, including the 2004 Bonds, that it will not limit or alter the rights of the issuer of such 2004 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 2004 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 2004 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.

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 "PRIOR 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. 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).

Due to the District's failure to provide audited financial statements for its fiscal years 2002 and 2003, the District has been in default under its continuing disclosure obligations for the 2000 Bonds. See "AUDITED FINANCIAL STATEMENTS" herein.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the 2004 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 2004 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the 2004 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 2004 Bonds, or in any way contesting or affecting the validity of the 2004 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 2004 Bonds, or the existence or powers of the District. See "PRIOR DEFAULTS" contained herein.

RATING

No application for a rating has been made to any rating agency.

UNDERWRITING

Prager, Sealy & Co., LLC (the "Underwriter") has agreed pursuant to a contract with the District, subject to certain conditions, to purchase the 2004 Bonds from the District at the aggregate purchase price of \$22,154,295.10, consisting of \$22,610,000.00 par amount of the 2004 Bonds, less original issue discount on the 2004 Bonds in the amount of \$153,004.80, plus accrued interest from August 1, 2004 to the date of delivery of and payment therefor in the amount of \$36,449.90, less the Underwriter's discount in the amount of \$339,150.00 (i.e., 1.50%). The Underwriter's obligations are subject to certain conditions precedent and the Underwriter will be obligated to purchase all of the 2004 Bonds if they are purchased. The 2004 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 2004 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

Rizzetta & Company, Incorporated has served as Financial Advisor to the District with respect to the issuance and delivery of the 2004 Bonds. The Financial Advisor has also prepared "APPENDIX D – SPECIAL ASSESSMENT ALLOCATION REPORT" attached hereto and its use in this Limited Offering Memorandum is used with the Financial Advisor's permission.

AUDITED FINANCIAL STATEMENTS

The District has not produced audited or unaudited financial statements for its fiscal years 2002 and 2003. Attached hereto as "APPENDIX E" are the District's 2001 audited financial statements.

LEGAL MATTERS

Certain legal matters related to the authorization, sale and delivery of the 2004 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 Greenberg Traurig, P.A., Orlando, Florida as Underwriter's Counsel and for the Developer by its counsel, Molloy & James, 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 2004 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 2004 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 2004 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

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APPENDIX A

COMPOSITE FORMS

OF

MASTER TRUST INDENTURE

AND

SEVENTH SUPPLEMENTAL 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

Section 505. Debt Service Fund and Series Debt Service Accounts	18
Section 506. Optional Redemption	19
Section 507. Rebate Fund and Series Rebate Accounts	21
Section 508. Investment of Funds and Accounts	21
Section 509. Deficiencies and Surpluses in Funds	22
Section 510. Investment Income	22
Section 511. Cancellation of Bonds	23

ARTICLE VI CONCERNING THE TRUSTEE

Section 601. Trustee, Appointment and Acceptance of Duties	23
Section 602. Responsibilities of Trustee	23
Section 603. Evidence on Which Trustee May Act	23
Section 604. Fees, Charges and Expenses of the Trustee	23
Section 605. Certain Permitted Acts	24
Section 606. Resignation of Trustee	24
Section 607. Removal of Trustee	24
Section 608. Appointment of Successor Trustee	25
Section 609. Transfer of Rights and Property to Successor	25
Section 610. Merger or Consolidation	25
Section 611. Adoption of Authentication	25
Section 612. Intervention by Trustee	25
Section 613. Designation and Successor of Bond Registrar and Paying Agent	25

ARTICLE VII FUNDS CONSTITUTE TRUST FUNDS

Section 701. Trust Funds	26
--------------------------	----

ARTICLE VIII COVENANTS AND AGREEMENTS OF THE DISTRICT

Section 801. Payment of Bonds	26
Section 802. Extension of Payment of Bonds	26
Section 803. Further Assurance	26
Section 804. Power to Issue Bonds and Create a Lien	26
Section 805. Power to Undertake Series Projects and to Collect Pledged Revenues	27
Section 806. Sale of Series Projects	27
Section 807. Completion and Maintenance of Series Projects	27
Section 808. Accounts and Reports	27
Section 809. Arbitrage and Other Tax Covenants	28
Section 810. Enforcement of Payment of Assessments, Benefit Taxes and Maintenance Taxes	28
Section 811. Method of Collection of Assessments, Benefit Taxes and Maintenance Taxes	28
Section 812. Delinquent Assessments, Benefit Taxes or Maintenance Taxes	28
Section 813. Deposit of Proceeds from Sale of Tax Certificates	29
Section 814. Sale of Tax Deed or Foreclosure of Assessment or Maintenance Tax Liens	29
Section 815. Other Obligations Payable from Assessments, Benefit Taxes or Maintenance Taxes	29
Section 816. General	29

TABLE OF CONTENTS

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

ARTICLE I DEFINITIONS

Section 101. Meaning of Words and Terms	2
Section 102. Rules of Construction	10

ARTICLE II FORM, EXECUTION, DELIVERY AND DESIGNATION OF BONDS

Section 201. Issuance of Bonds	10
Section 202. Details of Bonds	10
Section 203. Execution and Form of Bonds	10
Section 204. Negotiability, Registration and Transfer of Bonds	11
Section 205. Ownership of Bonds	11
Section 206. Special Obligations	11
Section 207. Authorization of Bonds	11
Section 208. Temporary Bonds	12
Section 209. Mutilated, Destroyed or Lost Bonds	13
Section 210. Pari Passu Obligations Under Credit Agreements	13
Section 211. Tax Status of Bonds	13

ARTICLE III REDEMPTION OF BONDS

Section 301. Redemption Generally	13
Section 302. Notice of Redemption; Procedure for Selection	14
Section 303. Effect of Calling for Redemption	14
Section 304. Cancellation	15

ARTICLE IV CONSTRUCTION AND ACQUISITION FUND

Section 401. Construction and Acquisition Fund	15
Section 402. Payments From Construction Fund	15
Section 403. Cost of Project	15
Section 404. Disposition of Balances in Construction and Acquisition Fund	15

ARTICLE V ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF

Section 501. Lien	16
Section 502. Establishment of Funds and Accounts	16
Section 503. Construction and Acquisition Fund	17
Section 504. Revenue Fund and Series Revenue Accounts	18

ARTICLE IX EVENTS OF DEFAULT AND REMEDIES

Section 901. Extension of Interest Payment	30
Section 902. Events of Default	30
Section 903. Acceleration of Maturities of Bonds of a Series	30
Section 904. Enforcement of Remedies	31
Section 905. Pro Rata Application of Funds Among Owners of a Series of Bonds	31
Section 906. Effect of Discontinuance of Proceedings	32
Section 907. Restriction on Individual Owner Actions	32
Section 908. No Remedy Exclusive	32
Section 909. Delay Not a Waiver	32
Section 910. Right to Enforce Payment of Bonds	32
Section 911. No Cross Default Among Series	33
Section 912. Indemnification	33

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	33
Section 1002. Deposit of Bonds	33

ARTICLE XI SUPPLEMENTAL INDENTURES

Section 1101. Supplemental Indentures Without Owners' Consent	33
Section 1102. Supplemental Indentures With Owner Consent	34
Section 1103. Opinion of Bond Counsel With Respect to Supplemental Indenture	35
Section 1104. Supplemental Indenture Part of Indenture	35
Section 1105. Insurer or Issuer of a Credit or Liquidity Facility as Owner of Bonds	35

ARTICLE XII DEFEASANCE

Section 1201. Defeasance and Discharge of the Lien of this Master Indenture and Supplemental Indentures	36
Section 1202. Moneys Held in Trust	38

ARTICLE XIII MISCELLANEOUS PROVISIONS

Section 1301. Effect of Covenants	38
Section 1302. Manner of Giving Notice to the District and the Trustee	38
Section 1303. Manner of Giving Notice to the Owners	39
Section 1304. Successorship of District Officers	39
Section 1305. Inconsistent Provisions	39
Section 1306. Further Acts	39
Section 1307. Headings Not Part of Indenture	39
Section 1308. Effect of Partial Invalidity	39
Section 1309. Attorney's Fees	39
Section 1310. Effective Date	40

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 (hereinafter 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 (hereinafter defined) by the Owners (hereinafter 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

1

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-day 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 Register" or "Register" 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.

3

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 (hereinafter 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

2

"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 function.

"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.

4

"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 pledge 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.

"Issuer" 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 (exclusive 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, (i) 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 (whichever is 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 Covenant*" 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.

9

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 of whose signature appears on any Bond 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 shall be designated by the District in the Supplemental Indenture, and the provisions for registration and delivery of 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 period of fifteen (15) calendar days next following any Interest Payment Date of such Bond. The Bond Registrar shall be conclusively deemed to have agreed that such 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 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 Bond Registrar, 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 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, 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:

11

"*Variable Rate Bonds*" means Current Interest Bonds which may be either Serial Bonds or Term Bonds, issued with 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 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 502 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

10

(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

12

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 299. 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 thereof 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 300. 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 301. 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(h) 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

13

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

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 Owner on the registration books maintained by the Paying Agent (and, for any Owner of \$1,000,000 registered Owner on the registration books maintained by the Paying Agent, 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 Bonds 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 4192; Midwest Securities Trust Company, Capital Structures-Call Notification, 440 South LaSalle Street, Chicago, Illinois 60605, Fax (312) 643-2343; 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, Moody's Information Services, "Called Bond Service," 55 Broad Street, 26th Floor, New York, New York 10014; 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

14

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 kind in, on, 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 Account
- for each such Series of Bonds issued hereunder;

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

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

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

15

(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:

- 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:

- (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;

- (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.

17

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.

(e) **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.

(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;

(D) 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 monies 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, upon the request of the Issuer, may transfer from the Series Interest Account to 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.

18

(b) Disposition of Remaining Amounts on Deposit in Series Revenue Account. Subject to the provisions of Section 104 hereof, at such time as the amount on deposit in the Series Interest Account, Series Principal Account, Series Redemption Account on each Bond Year equals the interest payable on the Bonds of such Series in such Bond Year, the principal amount of such Bonds payable in such Bond Year, the Maturity Amount of all Capital Appreciation Bonds in such Bond Year and the Amortization installment required to pay the Bonds of such Series 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, the District Auditor, 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 other any other charges of the Tax Collector and the District Auditor, 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. If, after such amount has been withdrawn and paid to the Trustee of evidence satisfactory to the Trustee of such payment, any amounts remain in the Series Revenue Account, such amounts shall be applied to reimburse the District for such payment. If, after such amount has been withdrawn and paid for such expenses of collecting and administrative costs of the Series Revenue Account, upon submission by the District to the Trustee of evidence satisfactory to the Trustee of such costs and expenses, any amounts remain in the Series Revenue Account, then, 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. Monies 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.

(c) 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 entitled 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 in connection with such redemptions. Moneys other than from Prepayments shall be held and applied in a Series Redemption Account as provided in Section 500(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 have been paid, the Trustee shall pay any and all balance in the Series Account to the District of Columbia, together with any interest thereon, and shall deliver to the District of Columbia a Certificate of Bonds to the District, free and clear of any lien and pledge of the Trustee. If the Series Account provides, however, that if an Event of Default has occurred and is continuing at the time of the payment of the principal or Maturity Amount of, or interest or premium on the Bonds of the Series, the Trustee shall pay over and apply any such excess proceeds to the Bonds of the Series, then the Trustee shall pay over and apply any such excess proceeds to the Bonds of the aggregate principal amount of such Series to the aggregate principal amount of 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.

(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 by a Series.** The District may purchase Bonds of a Series 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. In the event of purchase of Bonds by a Series, the District shall file with the Trustee a statement in writing directing the Trustee to make such purchase, and the Trustee, upon receipt of such purchase order, 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 the monies are on deposit in a related Series Interest Account to pay the accrued interest of the purchase price of any Serial Bond, the Trustee shall transfer sufficient principal from the related Series Revenue Account sufficient monies to pay such respective amounts. In the event the purchase price of any Serial Bonds exceeds the monies 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 monies 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 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 Term Bonds having maturities different from or in amounts greater than the principal in the next preceding sentence from amounts on deposit in the related Series Principal Account and the Trustee may transfer monies from the related Series Revenue Account to the related Series Principal Account for such purpose, but only upon delivery of a certificate of sufficiency to the Trustee by the District accompanied by a certificate of an Authorized Officer: (i) stating that sufficient monies are on deposit in 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 it is to purchase; 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 (b) 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, 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

21

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 Indenture. The Trustee shall be under no responsibility or duty with respect to the sale or redemption value or the application of any moneys paid to the District or for any losses incurred upon the sale or redemption value 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, without 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 any time 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

22

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 value of the option of the holder. In computing the amount on deposit in a Series Reserve Account, redeemable at the option of the holder, the amount on deposit shall be valued at par if purchased at par or at 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 above or a discount below par 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 504(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 509 above) in the Series Reserve Account, or if after such date withdrawals have been made from the Series Reserve Account and have created such a deficiency, then earnings on investments in the Series Reserve Account shall be deposited to the credit of the Series Reserve

22

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.

24

(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.

25

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 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 Project 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 deposited 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 each 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) financial condition as of the end of such Fiscal Year and income and expenses for such Fiscal Year (unless the 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 904 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

27

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 whatsoever.

26

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.

(c) **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 thereto 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 notices 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

28

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 170 and 197.10, 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 in 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

29

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;

31

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

(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.

32

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ARTICLE X

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

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

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 to be mailed. The supplemental indenture shall be subject to the same terms and conditions as the original indenture 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 as 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 1013. *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 Issuer, enforceable in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency or general equitable principles. In no event shall the opinion of Bond Counsel relating 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.

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(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 Indenture 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 hereto 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, whenever 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 hereto, as shall be deemed desirable by the Debtors, and to execute and deliver such supplemental indentures, adding to or rescinding, in any particular, any of the provisions of such Supplemental Indenture or of any supplemental indenture created, 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.

ARTICLE XII

Section 1201. Defeasance and Discharge of the Liens 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, at the times and in the manner stipulated under any Letter of Credit Agreement and any Liquidity Agreement, at the times and in the manner stipulated herein, then the lien of this Master Indenture and any Letter of Credit Agreement and any Liquidity Agreement then in effect shall terminate and discharge the obligations of the District to the Owners and the issuer of any Credit Facility or other security instrument, except coupon cease, terminate and become void and 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. The District shall also cause the State and the Paying Agents shall pay over or deliver, as directed by the District, all principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated or for payment of obligations under any Letter of Credit Agreement and any Liquidity Agreement. If a particular maturity, of a particular Series or of any part of a particular maturity or Series of Outstanding Bonds or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein, shall occur, such Bonds shall cease to be entitled to any lien, benefit or security under this Master Indenture, and all such Bonds shall cease to be entitled to any lien, benefit or security under this Master Indenture, except to 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.

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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

41

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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. 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

42

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SEVENTH SUPPLEMENTAL TRUST INDENTURE

PARKWAY CENTER
COMMUNITY DEVELOPMENT DISTRICT

TO
SUNTRUST BANK,
AS TRUSTEE

Dated as of August 1, 2004

Section 408.	Developer Reserve Fund.....	26
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Article V

Concerning the Trustee

Section 501.	Acceptance by Trustee.	27
Section 502.	Limitation of Trustee's Responsibility.	27
Section 503.	Trustee's Duties.....	27

Article VI

Additional Bonds

Section 601.	No Parity Bonds.	27
--------------	-----------------------	----

Article VII

Miscellaneous

Section 701.	Confirmation of Master Indenture.....	28
Section 702.	Continuing Disclosure Agreement.....	28
Section 703.	Additional Covenant Regarding Assessments.	28
Section 704.	Collection of Assessments.	29

Exhibit A - Form of Bonds
Exhibit B - Tax Regulatory Covenants

TABLE OF CONTENTS

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

Article I

Definitions

Section 101.	Definitions.....	5
--------------	------------------	---

Article II

Authorization, Issuance and Provisions of 2004 Bonds

Section 201.	Authorization of 2004 Bonds; Book-Entry Only Form.....	13
Section 202.	Terms.....	15
Section 203.	Dating; Interest Accrual.....	15
Section 204.	Denominations.....	16
Section 205.	Paying Agent.....	16
Section 206.	Bond Registrar.....	16
Section 207.	Conditions Precedent to Issuance of 2004 Bonds.	16

Article III

Redemption of 2004 Bonds

Section 301.	Bonds Subject to Redemption.....	17
--------------	----------------------------------	----

Article IV

Deposit of 2004 Bond Proceeds and Application Thereof;
Establishment of Accounts and Operation Thereof

Section 401.	Establishment of Accounts.....	17
Section 402.	Use of 2004 Bond Proceeds.	18
Section 403.	Costs of Issuance Account.	19
Section 404.	2004A Reserve Account and 2004B Reserve Account.....	19
Section 405.	Amortization Installments.....	20
Section 406.	Tax Covenants and Rebate Accounts.	21
Section 407.	Establishment of 2004 Revenue Account in Revenue Fund; Application of Revenues and Investment Earnings.	21

i

SEVENTH SUPPLEMENTAL
TRUST INDENTURE

THIS SEVENTH SUPPLEMENTAL TRUST INDENTURE (the "Seventh Supplemental Indenture") dated as of August 1, 2004, from **PARKWAY CENTER COMMUNITY DEVELOPMENT DISTRICT** (the "District") to to **SUNTRUST BANK**, as Trustee (the "Trustee"), a Georgia state banking corporation, and authorized to accept and execute trusts of the character herein set out, with its designated corporate trust office and post office address located at 225 East Robinson Street, Suite 250, Orlando, Florida 32801, Attention: Corporate Trust Department.

WHEREAS, the District has entered into a Master Trust Indenture, dated as of May 1, 1990 (the "Master Indenture") with First Union National Bank, Orlando, Florida as trustee as to which SunTrust Bank, Orlando, Florida has become successor in trust to secure the issuance of its Parkway Center Community Development District Special Assessment Revenue Bonds (the "Bonds"), issuable in one or more series from time to time; and

WHEREAS, the Governing Body of the District duly adopted Resolution No. 2000-1, on March 9, 2000, declaring revised special assessments, including, providing for the acquisition and construction of the 2000 Project (hereinafter defined), providing estimated Costs of the 2000 Project, defining assessable property to be benefited by the 2000 Project, defining the portion of the cost of the 2000 Project with respect to which Assessments will be imposed and the manner in which such assessments shall be levied against such benefited property within the District (together with the 1997 Assessments securing the 1997 Bonds, the "Assessments"), directing the preparation of an assessment roll, and, stating the intent of the District to issue bonds of the District secured by such Assessments to finance the costs of the acquisition and construction of the 2000 Project (the "Preliminary Assessment Resolution") and the Governing Body of the District duly adopted Resolution No. 2000-3 on April 27, 2000, following a public hearing conducted in accordance with the Act, to fix and establish the assessments and the benefited property (the "Assessment Resolution"); and

WHEREAS, pursuant to Resolution No 2004-12, adopted by the Governing Body of the District on July 30, 2004 (the "Award Resolution"), the District has authorized the issuance, sale and delivery of \$22,610,000 of its Parkway Center Community Development District Special Assessment Revenue Refunding Bonds, Series 2004 (the "2004 Bonds"), to be further designated "\$6,780,000 Parkway Center Community Development District Special Assessment Revenue Refunding Bonds, Series 2004A" (the "2004A Bonds") and \$15,830,000 of its Parkway Center Community Development District Special Assessment Revenue Refunding Bonds, Series 2004B (the "2004B Bonds"), subject to the parameters set forth therein, as an issue of Bonds under the Master Indenture, and has authorized the execution and delivery of the Master Indenture and this Seventh Supplemental Indenture to secure the issuance of the 2004 Bonds and to set forth the terms of the 2004 Bonds; and

WHEREAS, the District will apply the proceeds of the 2004 Bonds to: (i) refund, through purchase, a portion of the Outstanding principal amount of the District's \$3,405,000 Parkway Center Community Development District Special Assessment Revenue Bonds, Series 2000A (the "2000A Bonds") and all of the Outstanding principal amount of the District's \$26,595,000 Parkway Center Community Development District 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"); (ii) pay certain costs associated with the issuance of the 2004 Bonds; (iii) make a deposit into the Series Reserve Accounts for the benefit of all of the 2004 Bonds; and (iv) pay a portion of the interest to become due on the 2004 Bonds; and

WHEREAS, pursuant to the Constitution and laws of the State of Florida, particularly Chapter 75, Florida Statutes, as amended, the Bonds were validated by judgment of the Circuit Court for Hillsborough County, Florida, rendered on October 4, 1999, the period for appeal having expired and no appeal from such final judgment having been taken; and

WHEREAS, the 2004 Bonds will be payable from and secured by Assessments imposed, levied and collected by the District with respect to property specially benefited by the 2000 Project constructed with the proceeds of the 2000 Bonds and the 1997 Bonds (the "2004 Assessments"), which, together with the 2004 Pledged Funds will

2

"2004 Pledged Funds and Accounts") which shall comprise a part of the Trust Estate securing the 2004 Bonds (the "2004 Trust Estate");

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

IN TRUST NEVERTHELESS, except as in each such case may otherwise be provided in the Master Indenture, upon the terms and trusts in the Indenture set forth for the equal and proportionate benefit, security and protection of all and singular the present and future Owners of the 2004 Bonds issued or to be issued under and secured by this Seventh Supplemental Indenture, without preference, priority or distinction as to lien or otherwise, of any one 2004 Bond over any other 2004 Bond by reason of priority in their issue, sale or execution;

PROVIDED FURTHER HOWEVER, that if the District, its successors or assigns, shall well and truly pay, or cause to be paid, or make due provision for the payment of the principal and Redemption Price of the 2004 Bonds or any 2004 Bond of a particular maturity issued, secured and Outstanding under this Seventh Supplemental Indenture and the interest due or to become due thereon, at the times and in the manner mentioned in the 2004 Bonds and this Seventh Supplemental Indenture, according to the true intent and meaning thereof, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of the Master Indenture and this Seventh Supplemental Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions of the Master Indenture and this Seventh Supplemental Indenture, then upon such final payments, this Seventh Supplemental Indenture and the rights hereby granted shall cease and terminate, with respect to all 2004 Bonds or any 2004 Bond of a particular maturity, otherwise this Seventh Supplemental Indenture shall remain in full force and effect;

THIS SEVENTH SUPPLEMENTAL INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all 2004 Bonds issued and secured hereunder are to be issued, authenticated and delivered and all of the rights and property pledged to the payment

comprise the 2004 Trust Estate, which shall constitute a "Series Trust Estate" as defined in the Master Indenture; and

WHEREAS, the execution and delivery of the 2004 Bonds and of this Seventh Supplemental Indenture have been duly authorized by the Governing Body of the District and all things necessary to make the 2004 Bonds, when executed by the District and authenticated by the Trustee, valid and binding legal obligations of the District and to make this Seventh Supplemental Indenture a valid and binding agreement and, together with the Master Indenture, a valid and binding lien on the 2004 Trust Estate have been done;

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

That the District, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the mutual covenants herein contained, the purchase and acceptance of the 2004 Bonds by the purchaser or purchasers thereof, and other good and valuable consideration, receipt of which is hereby acknowledged, and in order to further secure the payment of the principal and Redemption Price of, and interest on, all 2004 Bonds Outstanding (as defined in the Master Indenture) from time to time, according to their tenor and effect, and such other payments required to be made under the Master Indenture or hereunder, and such other payments due under any Letter of Credit Agreement or Liquidity Agreement (as defined in the Master Indenture), and to further secure the observance and performance by the District of all the covenants, expressed or implied in the Master Indenture, in this Seventh Supplemental Indenture and in the 2004 Bonds: (a) has executed and delivered this Seventh Supplemental Indenture and (b) does hereby, in confirmation of the Master Indenture, grant, bargain, sell, convey, transfer, assign and pledge unto the Trustee, and unto its successors in the trusts under the Master Indenture, and to them and their successors and assigns forever, all right, title and interest of the District, in, to and under, subject to the terms and conditions of the Master Indenture and the provisions of the Master Indenture pertaining to the application thereof for or to the purposes and on the terms set forth in the Master Indenture the revenues derived by the District from the 2004 Assessments (the "2004 Pledged Revenues") and the Funds and Accounts (except for the 2004 Rebate Account) established hereby (the

3

thereof are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as in the Master Indenture (except as amended directly or by implication by this Seventh Supplemental Indenture), including this Seventh Supplemental Indenture, expressed, and the District has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners, from time to time, of the 2004 Bonds, as follows:

Article I Definitions

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

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

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

"Delinquent Assessment Interest" shall mean 2004 Assessment Interest deposited by the District with the Trustee on or after May 1 of the year in which such Assessment Interest has, or would have, become delinquent under State law applicable thereto.

"Delinquent Assessment Principal" shall mean 2004A Assessment Principal or 2004B Assessment Principal deposited by the District with the Trustee on or after May 1 of the year in which such 2004A Assessment Principal or 2004B Assessment Principal has, or would have, become delinquent under State law applicable thereto.

"Developer" shall mean Oak Creek Land Company, a Florida corporation.

5

"Developer Reserve Requirement" shall mean \$2,000,000.

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

"Interest Payment Date" shall mean each May 1 and November 1, commencing November 1, 2004.

"2000A Bonds" shall mean \$3,405,000 Parkway Center Community Development District Special Assessment Revenue Bonds, Series 2000A.

"2000B Bonds" shall mean \$26,595,000 Parkway Center Community Development District Special Assessment Revenue Bonds, Series 2000B.

"2000 Bonds" shall mean, collectively, the 2000A Bonds and the 2000B Bonds.

"2004 Assessment Interest" shall mean the interest on the 2004 Assessments which is pledged to the 2004 Bonds.

"2004 Assessment Proceedings" shall mean the proceedings of the District with respect to the establishment, levy and collection of the 2004 Assessments, including, but not limited to Resolutions No. 02-01 and 02-03, adopted by the Governing Body of the District, and any supplemental proceedings undertaken by the District with respect to the 2004 Assessments.

"2004 Assessment Revenues" shall mean all revenues derived by the District from the 2004 Assessments.

"2004 Bonds" shall mean collectively, the Series 2004A Bonds and the Series 2004B Bonds.

"2004 Investment Obligations" shall mean and includes any of the following securities, if and to the extent that such securities are legal investments for funds of the District;

(i) Government Obligations;

(ii) obligations of the Government National Mortgage Association (including participation certificates issued by such Association);

6

investment from Moody's or (B) repurchase all Collateral and terminate the repurchase agreement. Further, if the provider's rating by either S&P or Moody's falls below "A" or "A3", respectively, the provider must at the direction of the District to the Trustee, within ten (10) calendar days, either (1) maintain Collateral at levels sufficient to maintain an "AA" rated investment from S&P and an "Aa" rated investment from Moody's, or (2) repurchase all Collateral and terminate the repurchase agreement without penalty. In the event the repurchase agreement provider has not satisfied the above conditions within ten (10) days of the date such conditions apply, then the repurchase agreement shall provide that the Trustee shall be entitled to, and in such event, the Trustee shall withdraw the entire amount invested plus accrued interest within two (2) Business Days. For the purposes herein, "Collateral" shall mean obligation of the United States of America (the "U.S."), agencies of the U.S., the Fannie Mae, or the Federal Home Loan Mortgage Corporation. Obligations of such entities can be in the form of collateralized mortgage obligations ("CMO's"). Any repurchase agreement entered into pursuant to this Indenture shall contain the following additional provisions:

(a) Failure to maintain the requisite Collateral percentage will require the District of the Trustee to liquidate the Collateral as provided above;

(b) The Holder of the Collateral, as hereinafter defined, shall have possession of the Collateral or the Collateral shall have been transferred to the Holder of the Collateral, in accordance with applicable state and federal laws (other than by mean of entries on the transferors' books);

(c) The repurchase agreement shall state and an opinion of counsel in form and in substance satisfactory to the Trustee shall be rendered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted Collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

(d) The repurchase agreement shall be a "repurchase agreement" as defined in the United States Bankruptcy Code and, if the provider is a domestic bank, a "qualified financial contact" as defined in the Financial Institutional Reform,

(iii) obligations of the Fannie Mae (including participation certificates issued by such Association);

(iv) obligations of Federal Home Loan Banks;

(v) deposits, Federal funds or bankers' acceptances (with term to maturity of 270 days or less) of any bank which has an unsecured, uninsured and unguaranteed obligation rated in one of the top two rating categories by both Moody's and S & P;

(vi) commercial paper rated in the top two rating category by both Moody's and S&P;

(vii) obligations of any state of the United States or political subdivision thereof or constituted authority thereof the interest on which is exempt from federal income taxation under Section 103 of the Code and rated in one of the top two rating categories by both Moody's and S&P;

(viii) both (A) shares of a diversified open-end management investment company (as defined in the Investment Company Act of 1940) or a regulated investment company (as defined in Section 851 (a) of the Code) that is a money market fund that is rated in the highest rating category by both Moody's and S&P, and (B) shares of money market mutual funds that invest only in Government Obligations and repurchase agreements secured by such obligations, which funds are rated in the highest categories for such funds by both Moody's and S&P;

(ix) repurchase agreements, which will be collateralized at the onset of the repurchase agreement of at least 103% marked to market daily with Collateral, as hereinafter defined, with a domestic or foreign bank or Corporation (other than life or property casualty insurance company) the long-term debt of which, or, in the case of a mono-line financial guaranty insurance company, claims paying ability, of the guarantor is rated at least "AA" by S&P and "Aa" by Moody's provided that the repurchase agreement shall provide that if during its term the provider's rating by either S&P or Moody's falls below "AA" or "Aa3", respectively, the provider shall immediately notify the Trustee and the provider shall at its option, within ten days of receipt of publication of such downgrade, either (A) maintain Collateral at levels sufficient to maintain an "AA: rated investment from S&P and an "Aa" rated

7

Recovery and Enforcement Act of 1989 (FIRREA") and such bank is subject to FIRREA;

(e) The repurchase transaction shall be in the form of a written agreement, and such agreement shall require the provider to give written notice to the Trustee of any change in its long-term debt rating;

(f) The District or its designee shall represent that it has no knowledge of any fraud involved in the repurchase transaction;

(g) The District and the Trustee shall receive the opinion of counsel (which opinion shall be addressed to the District and the Trustee and shall be in form and substance satisfactory to the Trustee) that such repurchase agreement complies with the terms of this section and is legal, valid, binding and enforceable upon the provider in accordance with its terms;

(h) The term of the repurchase agreement shall be no longer than one year, or, if payable upon demand, five years;

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

(j) The repurchase agreement shall provide that the Trustee may withdraw funds without penalty at any time, or from time to time, for any purpose permitted or required under this Indenture;

(k) Any repurchase agreement shall provide that a perfected security interest in such investments is created for the benefit of the Beneficial Owners under the Uniform Commercial Code of Florida, or book-entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. are created for the benefit of the Beneficial Owners; and

(l) The Collateral delivered or transferred to the District, the Trustee, or a third-party acceptable to, and acting solely as agent for, the Trustee (the "Holder of the Collateral") shall be delivered and transferred in compliance with applicable state and federal laws (other than by means of entries on

8

9

provider's books) free and clear of any third-party liens or claims pursuant to a custodial agreement subject to the prior written approval of the majority of the Holders and the Trustee. The custodial agreement shall provide that the Trustee must have disposition control over the Collateral of the repurchase agreement, irrespective of an event of default by the provider of such repurchase agreement.

If such investments are held by a third-party, they shall be held as agent for the benefit of the Trustee as fiduciary for the Beneficial Owners and not as agent for the bank serving as Trustee in its commercial capacity or any other party and shall be segregated from securities owned generally by such third party or bank.

(x) any other investment approved in writing by the Owners of a majority in aggregate principal amount of the Bonds; and

(xi) bonds, notes and other debt obligation of any corporation organized under the laws of the United States, any state or organized territory of the United States or the District of Columbia, if such obligations are rated in one of the three highest ratings by both Moody's and S&P or in one of the two highest categories by either S&P or Moody's; and

(xii) investment agreements with a bank, insurance company or other financial institution, or the subsidiary of a bank, insurance company or other financial institution if the parent guarantees the investment agreement, which bank, insurance company, financial institution or parent has an unsecured, uninsured and unguaranteed obligation (or claims-paying ability) rated in the highest short-term rating category by Moody's or S&P (if the term of such agreement does not exceed 365 days), or has an unsecured, uninsured and unguaranteed obligation (or claim paying ability) rated by at least 2 national rating agencies with a minimum rating of A2, AA or AA by Moody's, S&P or Fitch, respectively (if the term of such agreement is more than 365 days) or is the lead bank of a parent bank holding company with an uninsured, unsecured and unguaranteed obligation of the aforesaid ratings, provided:

(a) interest in paid at least semiannually at a fixed rate (subject to adjustments for yield restriction required by the

Code) during the entire term of the agreement, consistent with the Interest Payment Dates;

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

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

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

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

(xiii) bonds, notes and other debt obligations of any corporation organized under the laws of the United States, any state or organized territory of the United States or the District of Columbia, if such obligations are rated in one of the three highest ratings by Moody's and S&P or in one of the two highest categories by either S&P or Moody's; and

(xiv) the Local Government Surplus Funds Trust Fund as described in Florida Statutes, Section 218.405 or the corresponding provisions of subsequent laws provided that such fund is rated at least "AA" by S&P (without regard to gradation) or at least "Aa" by Moody's (without regard to gradation).

Under all circumstances, the Trustee shall be entitled to request and to receive from the District a certificate of an Authorized Officer setting forth that any investment directed by the District is permitted under the Indenture.

"2004 Pledged Revenues" shall mean the 2004 Assessments.

10

11

"2004A Assessment Principal" shall mean the principal amount of 2004 Assessments received by the District which represent a proportionate amount of the principal of and Amortization Installments of the 2004A Bonds, other than applicable Delinquent Assessment Principal and 2004A Prepayment Principal.

"2004A Bonds" shall mean \$6,780,000 Parkway Center Community Development District Special Assessment Revenue Refunding Bonds, Series 2004A.

"2004A Prepayment Principal" shall mean the excess amount of 2004A Assessment Principal received by the District over the 2004A Assessment Principal included within an Assessment appearing on any outstanding and unpaid tax bill, whether or not mandated to be prepaid in accordance with the Assessment Proceedings. Anything herein or in the Master Indenture to the contrary notwithstanding, the term 2004A Prepayment Principal shall not mean the proceeds of any Refunding Bonds or other borrowing of the District.

"2004A Reserve Account Requirement" shall mean the lesser of: (i) Maximum Annual Debt Service Requirement for all Outstanding 2004A Bonds, (ii) 125% of the average annual debt service for all Outstanding 2004A Bonds, or (iii) 10% of the proceeds of the 2004A Bonds calculated as of the date of original issuance thereof.

"2004B Assessment Principal" shall mean the principal amount of 2004 Assessments received by the District which represent a proportionate amount of the principal of and Amortization Installments of the 2004B Bonds, other than applicable Delinquent Assessment Principal and 2004B Prepayment Principal.

"2004B Bonds" shall mean \$15,830,000 Parkway Center Community Development District Special Assessment Revenue Refunding Bonds, Series 2004B.

"2004B Prepayment Principal" shall mean the excess amount of 2004B Assessment Principal received by the District over the 2004B Assessment Principal included within an Assessment appearing on any outstanding and unpaid tax bill, whether or not mandated to be prepaid in accordance with the Assessment Proceedings. Anything herein or in the Master Indenture to the contrary notwithstanding, the

term 2004B Prepayment Principal shall not mean the proceeds of any Refunding Bonds or other borrowing of the District.

"2004B Reserve Account Requirement" shall mean fifty percent (50%) of Maximum Annual Debt Service Requirement for all Outstanding 2004B Bonds, from time to time.

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

Article II

Authorization, Issuance and Provisions of 2004 Bonds

Section 201. Authorization of 2004 Bonds; Book-Entry Only Form The 2004 Bonds are hereby authorized to be issued in three Series in the aggregate principal amount of \$22,610,000 for the purposes enumerated in the recitals hereto to be designated "Parkway Center Community Development District Special Assessment Revenue Refunding Bonds, Series 2004A" in the initial principal amount of \$6,780,000 and "Parkway Center Community Development District Special Assessment Revenue Refunding Bonds, Series 2004B" in the initial principal amount of \$15,830,000. The 2004 Bonds shall constitute one Series of Bonds under the Master Indenture. The 2004 Bonds shall be substantially in the form set forth as Exhibit B to this Seventh Supplemental Indenture. Each 2004A Bond shall bear the designation "2004AR" and each 2004B Bond shall bear the designation "2004BR" and shall be numbered consecutively from 1 upwards.

The 2004 Bonds shall be initially issued in the form of a separate single certificated fully registered 2004 Bond for each Series and maturity thereof. Upon initial issuance, the ownership of each such 2004 Bond shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, the initial Bond Depository. Except as provided in this Section 201, all of the Outstanding 2004 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 2004 Bonds registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of

12

A-16

13

DTC, the District, the Trustee, the Bond Registrar and the Paying Agent shall have no responsibility or obligation to any such Bond Participant or to any indirect Bond Participant. Without limiting the immediately preceding sentence, the District, the Trustee, the Bond Registrar and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Bond Participant with respect to any ownership interest in the 2004 Bonds, (ii) the delivery to any Bond Participant or any other person other than an Owner, as shown in the registration books kept by the Bond Registrar, of any notice with respect to the 2004 Bonds, including any notice of redemption, or (iii) the payment to any Bond Participant or any other person, other than an Owner, as shown in the registration books kept by the Bond Registrar, of any amount with respect to principal of, premium, if any, or interest on the 2004 Bonds. The District, the Trustee, the Bond Registrar and the Paying Agent may treat and consider the person in whose name each 2004 Bond is registered in the registration books kept by the Bond Registrar as the absolute owner of such 2004 Bond for the purpose of payment of principal, premium and interest with respect to such 2004 Bond, for the purpose of giving notices of redemption and other matters with respect to such 2004 Bond, for the purpose of registering transfers with respect to such 2004 Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium, if any, and interest on the 2004 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 2004 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 2004 Bond evidencing the obligation of the District to make payments of principal, premium, if any, and interest pursuant to the provisions hereof. Upon delivery by DTC to the District of written notice to the effect that DTC has determined to substitute a new Nominee in place of Cede & Co., and subject to the provisions herein with respect to Record Dates, the words "Cede & Co." in this Seventh Supplemental Indenture shall refer to such new Nominee of DTC; and upon receipt of such a notice the District shall promptly deliver a copy of the same to the Trustee, Bond Registrar and the Paying Agent.

14

Section 204. Denominations. The 2004 Bonds shall be issued in Authorized Denominations; provided, however, that the 2004 Bonds shall be delivered to the initial purchasers thereof only in aggregate principal amounts of \$100,000 or integral multiples of Authorized Denominations in excess of \$100,000.

Section 205. Paying Agent. The District appoints the Trustee as Paying Agent for the 2004 Bonds.

Section 206. Bond Registrar. The District appoints the Trustee as Bond Registrar for the 2004 Bonds.

Section 207. Conditions Precedent to Issuance of 2004 Bonds. In addition to complying with the requirements set forth in the Master Indenture in connection with the issuance of the 2004 Bonds, all the 2004 Bonds shall be executed by the District for delivery to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the District or upon its order, but only upon the further receipt by the Trustee of:

- (a) Certified copies of the Assessment Proceedings;
- (b) Executed copies of the Master Indenture and this Seventh Supplemental Indenture;
- (c) A Bond Counsel opinion to the effect that: (i) the District has the right and power under the Act as amended to the date of such opinion to authorize, execute and deliver the Master Indenture and this Seventh Supplemental Indenture, and the Master Indenture and this Seventh Supplemental Indenture have been duly and lawfully authorized, executed and delivered by the District, are in full force and effect and are valid and binding upon the District and enforceable in accordance with their respective terms; (ii) the Master Indenture, as amended and supplemented by this Seventh Supplemental Indenture, creates the valid pledge which it purports to create of the 2004 Trust Estate in the manner and to the extent provided in the Master Indenture and this Seventh Supplemental Indenture; and (iii) the 2004 Bonds are valid, binding, special obligations of the District, enforceable in accordance with their terms and the terms of the Master Indenture and this Seventh Supplemental Indenture, subject to bankruptcy, insolvency or other laws affecting the rights of creditors generally and entitled to the benefits of the Act as amended to the date of such

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 2004 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 2004 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 2004 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 2004 Bonds shall designate, in accordance with the provisions hereof.

Section 202. Terms The 2004 Bonds shall be Term Bonds, shall be issued in two Series comprised of three Term Bonds, shall bear interest at the fixed interest rates per annum and shall mature in the amounts and on the dates set forth below:

Series	Principal Amount	Interest Rate	Maturity (May 1)
2004A	\$3,075,000	6.1250%	2024
2004A	\$3,705,000	6.3000%	2034
2004B	\$15,830,000	5.6250%	2014

Section 203. Dating; Interest Accrual. Each 2004 Bond shall be dated August 1, 2004. Each 2004 Bond also shall bear its date of authentication. Each 2004 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 2004 Bond has been paid, in which event such 2004 Bond shall bear interest from its date of authentication; or (ii) is prior to the first Interest Payment Date for the 2004 Bonds, in which event, such 2004 Bond shall bear interest from its date. Interest on the 2004 Bonds shall be due and payable on each May 1 and November 1, commencing November 1, 2004, and shall be computed on the basis of a 360-day year of twelve 30-day months.

15

opinion, and the 2004 Bonds have been duly and validly authorized and issued in accordance with law and the Master Indenture and this Seventh Supplemental Indenture;

(d) The District Counsel opinion required by the Master Indenture;

(e) A certificate of an Authorized Officer to the effect that, upon the authentication and delivery of the 2004 Bonds, the District will not be in default in the performance of the terms and provisions of the Master Indenture or this Seventh Supplemental Indenture; and

(f) A certified copy of the final judgment of validation in respect of the Bonds together with a certificate of no appeal.

Article III Redemption of 2004 Bonds

Section 301. Bonds Subject to Redemption. The 2004 Bonds are subject to redemption prior to maturity as provided in the form thereof set forth as Exhibit B to this Seventh Supplemental Indenture.

Article IV Deposit of 2004 Bond Proceeds and Application Thereof; Establishment of Accounts and Operation Thereof

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

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

- (i) a 2004 Costs of Issuance Account; and
- (ii) a 2004A Capitalized Interest Account and a 2004B Capitalized Interest Account.

(b) There are hereby established within the Debt Service Fund held by the Trustee: (i) a 2004 Debt Service Account and therein a 2004A Sinking Fund Account, a 2004B Principal Account, a 2004A Interest Account and a 2004B Interest Account; and (ii) a 2004

Redemption Account, and, therein a 2004A Prepayment Subaccount, a 2004B Prepayment Subaccount and an Optional Redemption Subaccount;

(c) There is hereby established a Tender Fund;

(d) There is hereby established within the Reserve Fund held by the Trustee a 2004A Reserve Account and a 2004B Reserve Account, which shall be jointly held for the benefit of all of the 2004 Bonds, without distinction as to Series of 2004 Bonds and without privilege or priority of one Series of 2004 Bonds over another;

(e) There is hereby established within the Revenue Fund held by the Trustee a 2004 Revenue Account;

(f) There is hereby established within the Rebate Fund held by the Trustee a 2004 Rebate Account; and

(g) There is hereby established with the Trustee a separate Fund to be known as the "Developer Reserve Fund."

Section 402. Use of 2004 Bond Proceeds; Tender Fund. The net proceeds of sale of the 2004 Bonds, \$22,154,295.10, shall as soon as practicable upon the delivery thereof to the Trustee by the District pursuant to Section 207 of the Master Indenture, be applied as follows:

(a) \$20,735,510.74 shall be deposited to the Tender Fund;

(b) \$11,715.52, representing accrued interest shall be deposited to the credit of the 2004A Interest Account and \$24,734.38, representing accrued interest shall be deposited to the credit of the 2004B Interest Account;

(c) \$502,105.63, representing the 2004A Reserve Account Requirement shall be deposited to the credit of the 2004A Reserve Account and \$445,218.75, representing the 2004B Reserve Account Requirement shall be deposited to the credit of the 2004B Reserve Account;

(d) \$145,696.88, representing the costs of issuance relating to the 2004 Bonds shall be deposited to the credit of the 2004 Costs of Issuance Account;

18

Bonds, together with accrued interest and redemption premium, if any, on such 2004A Bonds to the earliest date of redemption permitted therein and herein, then the Trustee shall transfer the amount on deposit in the 2004A Reserve Account into the 2004A Prepayment Subaccount in the 2004A Redemption Account to pay and redeem all of the Outstanding 2004A Bonds on the earliest date permitted for redemption therein and herein.

Anything herein or in the Master Indenture to the contrary notwithstanding, provided that the Developer Reserve Fund has on deposit therein an amount equal to the Developer Reserve Requirement and there have been no withdrawals from the 2004B Reserve Account which have not been restored, then simultaneously with deposit by the Trustee of 2004B Prepayment Principal into the 2004B Prepayment Subaccount, the Trustee is hereby authorized and directed to recalculate the 2004B Reserve Account Requirement and to transfer any resulting excess on deposit in the 2004B Reserve Account into the 2004B Prepayment Subaccount to be used for the extraordinary mandatory redemption of 2004B Bonds as provided for herein and therein.

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

Section 405. Amortization Installments. (a) The Amortization Installments are established for the 2004 Bonds shall be as set forth in the forms of Bonds attached hereto.

(b) Upon any redemption of 2004A Bonds (other than 2004A Bonds redeemed in accordance with scheduled Amortization Installments and other than 2004A 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

(e) \$92,550.51 shall be deposited to the 2004A Capitalized Interest Account and \$196,762.69 shall be deposited to the 2004B Capitalized Interest Account.

In addition to the foregoing, the Trustee shall deposit in the Developer Reserve Fund from immediately available funds provided by the Developer the sum of \$2,000,000 which is the Developer Reserve Fund Requirement.

The amount on deposit in the Tender Fund shall be immediately applied by the Trustee upon written direction of an Authorized Officer of the District to the payment of the tender price of the refunded portion of the 2000 Bonds as designated in such written direction. Amounts on deposit in the Tender Fund shall be held in trust for the benefit of the Owners of the 2004 Bonds.

Section 403. Costs of Issuance Account. The amount deposited in the 2004 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 2004 Bonds. At the written direction of an Authorized Officer, any amounts deposited in the 2004 Costs of Issuance Account which are not needed to pay such costs shall be transferred over and deposited into the 2004 Acquisition and Construction Account and used for the purposes permitted therefor.

Section 404. 2004A Reserve Account and 2004B Reserve Account. Amounts on deposit in the 2004A Reserve Account, in the 2004A Reserve Account and 2004B Reserve Account shall be used only for the purpose of making payments into the 2004A Interest Account, the 2004A Sinking Fund Account, the 2004B Interest Account and the 2004B Principal Account to pay Debt Service on the 2004 Bonds, when due, without distinction as to Series of 2004 Bonds and without privilege or priority of one 2004 Bond over another, to the extent that, after first applying any amount on deposit in the Developer Reserve Fund for such purpose, as provided in Section 408 hereof, the moneys on deposit in such Accounts therein and available therefor are insufficient and for no other purpose. Such Account shall consist only of cash and Investment Obligations.

On the earliest date on which there is on deposit in the 2004A Reserve Account, sufficient monies, taking into account other monies available therefor, to pay and redeem all of the Outstanding 2004A

19

Installments for both 2004A Term Bonds recalculated so as to amortize the Outstanding principal balance of both 2004A Term Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the 2004A Bonds.

(c) No Amortization Installments are established for the 2004B Bonds. Accordingly, all redemptions of the 2004B Bonds shall reduce the amount coming due on the maturity date thereof.

Section 406. Tax Covenants and Rebate Accounts. The District shall comply with the Tax Regulatory Covenants set forth as Exhibit B to this Seventh Supplemental Indenture, as amended and supplemented from time to time in accordance with their terms.

Section 407. Establishment of 2004 Revenue Account in Revenue Fund; Application of Revenues and Investment Earnings. (a) The Trustee is hereby authorized and directed to establish within the Revenue Fund a 2004 Revenue Account into which the Trustee shall deposit any and all amounts required to be deposited therein by this Section 407 or by any other provision of the Master Indenture or this Supplemental Indenture, and any other amounts or payments specifically designated by an Authorized Officer of the District pursuant to a written direction or by a Supplemental Indenture for said purpose. The 2004 Revenue Account shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Indenture and from all other moneys of the Trustee.

(b) The District shall deposit 2004 Assessment Revenues with the Trustee immediately upon receipt together with a written accounting setting forth the amounts of such 2004 Assessment Revenues in the following categories which shall be deposited by the Trustee into the Funds and Accounts established hereunder as follows:

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

(ii) 2004A Prepayment Principal, which shall be deposited into the 2004A Prepayment Subaccount in the Redemption Account and 2004B Prepayment Principal, which shall be deposited into the 2004B Prepayment Subaccount in the Redemption Account;

20

A-18

21

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

(iv) Delinquent Assessment Interest, which shall first be applied to restore the amount of any withdrawal from the 2004A Reserve Account or the 2004B Reserve Account to pay the interest on 2004 Bonds, and, the balance, if any, shall be applied to restore the amount of any withdrawal from the Developer Reserve Fund to pay interest on the 2004 Bonds, and the balance, if any, shall be deposited into the 2004 Revenue Account; and

(v) all other 2004 Assessment Revenues, which shall be deposited into the 2004 Revenue Account.

Moneys other than 2004 Assessment Revenues, shall, at the written direction of an Authorized Officer of the District be deposited into the Optional Redemption Subaccount of the 2004 Redemption Account and used to pay the principal of and premium, if any, on 2004 Bonds called or to be called for optional redemption at the written direction of an Authorized Officer of the District in accordance with the provisions for optional redemption of 2004 Bonds as set forth in the form of 2004 Bonds attached hereto.

(c) On the forty-fifth (45th) preceding a date on which an extraordinary mandatory redemption may occur hereunder and under the respective Series of Bonds (or if such forty-fifth (45th) day is not a Business Day, on the first the Business Day next preceding such day), the Trustee shall determine the amount on deposit in the 2004A Prepayment Subaccount or the 2004B Prepayment Subaccount of the 2004 Redemption Account, respectively, and, if the balance therein is greater than zero, shall transfer from the 2004 Revenue Account for

22

already on deposit in the 2004B Interest Account not previously credited;

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

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

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

Anything herein to the contrary notwithstanding, it shall not, a fortiori, constitute an Event of Default hereunder if the full amount of the foregoing deposits are not made due to an insufficiency of funds therefor.

(e) On any date required by the Tax Regulatory Covenants, the District shall give the Trustee written direction, and the Trustee shall, transfer from the 2004 Revenue Account to the Rebate Account established for the 2004 Bonds in the Rebate Fund in accordance with the Master Indenture, the amount due and owing to the United States, which amount shall be paid, to the United States, when due, in accordance with such Tax Regulatory Covenants.

(f) On or after each November 2, the balance on deposit in the 2004 Revenue Account shall, at the written direction of the District be transferred by the Trustee to be used for any lawful District purpose; provided, however, that on the date of such proposed transfer the amount on deposit in the 2004A Reserve Account and the 2004B 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 2004 Bonds, including the payment of Trustee's fees and expenses due.

deposit into such Prepayment Subaccount, an amount sufficient to increase the amount on deposit therein to an integral multiple of \$5,000, and, shall thereupon give notice and cause the extraordinary mandatory redemption of the corresponding Series of 2004 Bonds on the next date permitted hereunder and thereunder for the extraordinary mandatory redemption thereof in the maximum aggregate principal amount for which moneys are then on deposit in such Prepayment Subaccount in accordance with the provisions for extraordinary mandatory redemption of such Series of 2004 Bonds set forth in the respective form of 2004 Bond attached hereto, Section 301 hereof, and Article III of the Master Indenture.

(d) On each May 1 (or if such May 1 is not a Business Day, on the Business Day preceding such May 1), the Trustee shall first transfer from the 2004A Capitalized Interest Account to the 2004A Interest Account the lesser of (x) the amount of interest coming due on the 2004A Bonds on such May 1 or the next succeeding November 1, less the amount already on deposit therein, or (y) the amount remaining in the 2004A Capitalized Interest Account and shall transfer from the 2004B Capitalized Interest Account to the 2004B Interest Account the lesser of (x) the amount of interest coming due on the 2004B Bonds on such May 1 or the next succeeding November 1, less the amount already on deposit therein, or (y) the amount remaining in the 2004B Capitalized Interest Account. Following the foregoing transfers, on such May 1 (or if such May 1 is not a Business Day, on the Business Day preceding such May 1), the Trustee shall then transfer amounts on deposit in the 2004 Revenue Account to the Funds and Accounts designated below in the following amounts and in the following order of priority:

FIRST, from the 2004 Revenue Account to the 2004A Interest Account of the Debt Service Fund, an amount equal to the amount of interest payable on all 2004A Bonds then Outstanding on such May 1 or November 1, less any amount transferred from the 2004A Capitalized Interest Account in accordance with Section 403(c) hereof and less any other amount already on deposit in the 2004A Interest Account not previously credited and from the 2004 Revenue Account to the 2004B Interest Account of the Debt Service Fund, an amount equal to the amount of interest payable on all 2004B Bonds then Outstanding on such May 1 or November 1, less any other amount

23

(g) Anything herein or in the Master Indenture to the contrary notwithstanding, earnings on investments in all of the Funds and Accounts held as security for the 2004 Bonds shall be invested only in 2004 Investment Obligations, and further, earnings on the 2004 Acquisition and Construction Account and the subaccounts therein shall be retained, as realized, in such Accounts or subaccounts and used for the purpose of such Account or subaccount. Earnings on investments in the 2004 Sinking Fund Accounts and the 2004 Redemption Account shall be deposited, as realized, to the credit of the 2004 Revenue Account and used for the purpose of such Account.

Anything herein or in the Master Indenture to the contrary notwithstanding, amounts on deposit in the Developer Reserve Fund in excess of the Developer Reserve Fund Requirement shall be remitted to the Developer no less frequently than monthly; provided, however, that the Trustee may enter into any arrangement satisfactory to it pursuant to which such excess funds are transferred more frequently into an account of the Developer established with the Trustee bank and the Trustee may withhold from any such transfer the reasonable fees and expenses of the Trustee and the bank appertaining thereto.

Earnings on investments in each 2004 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 2004 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 the case of the 2004A Reserve Account, shall through November 1, 2004 be deposited into the 2004A Capitalized Interest Account and, in the case of the 2004B Reserve Account, shall through November 1, 2004 be deposited into the 2004B Capitalized Interest Account and shall thereafter, and in the case of earnings on the 2004A Reserve Account and the 2004B Reserve Account shall be, allocated to and deposited into the 2004 Revenue Account in the Revenue Fund; and

(ii) if as of the last date on which amounts on deposit in a 2004 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 2004 Reserve Account and have created such a deficiency, then earnings on investments, in the case of the 2004A Reserve Account, shall through November 1, 2004 be deposited into the 2004A Capitalized Interest Account and, in the case of the 2004B Reserve Account, shall through November 1, 2004 be deposited into the 2004B Capitalized Interest Account and shall thereafter, and in the case of earnings on the 2004A Reserve Account and the 2004B Reserve Account shall be, allocated to and deposited into the 2004 Revenue Account in the Revenue Fund.

Section 408. Developer Reserve Fund. Concurrently with the issuance and delivery of the 2004 Bonds, the Developer shall deposit into the Developer Reserve Fund an amount equal to the Developer Reserve Requirement. Amounts on deposit in the Developer Reserve Account shall be used, prior to any withdrawal from the 2004A Reserve Account or the 2004B Reserve Account, for the purpose of making payments into the 2004A Interest Account, the 2004A Sinking Fund Account, the 2004B Interest Account and the 2004B Principal Account to pay Debt Service on the 2004 Bonds, when due, without distinction as to Series of 2004 Bonds and without privilege or priority of one 2004 Bond over another, to the extent the moneys on deposit in such Accounts therein and available therefor are insufficient and for no other purpose. The Developer Reserve Fund shall consist only of cash and 2004 Investment Obligations.

The Developer Reserve Requirement is subject to reduction, in part, in a minimum amount of \$50,000.00, no more frequently than once per calendar month, following the receipt by the Trustee of written notice requesting such release. Such notice of release from the District shall contain a certification of the amount of such release as determined in accordance with the following sentence. The amount of any partial reduction in the Developer Reserve Requirement shall be calculated by subtracting from the original Two Million Dollar (\$2,000,000) the result of multiplying Two Million Dollars (\$2,000,000) Developer Reserve Requirement a fraction the numerator of which is (X) the total 2004B Assessments allocated to tax parcels with respect to which either 1) a certificate of occupancy has been issued, or 2) which tax parcel is owned either by an end-user or by an entity engaged in the business of constructing residences and who has either paid one semi-annual 2004A Assessment and 2004B Assessment attributable to such tax parcel or has prepaid all of 2004B Assessments attributable to such

26

other obligation issued pursuant to the authority of the preceding sentence shall conspicuously state on the face thereof that such obligation is, and such obligation shall be, subordinate and inferior in right of lien and payment to the lien of the Master Indenture and this Seventh Supplemental Indenture on such 2004 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 2004 Bonds to payment and the control of remedies and acceleration granted hereunder and under the Master Indenture.

Article VII Miscellaneous

Section 701. Confirmation of Master Indenture. As supplemented by this Seventh Supplemental Indenture, the Master Indenture is in all respects ratified and confirmed, and this Seventh Supplemental Indenture shall be read, taken and construed as a part of the Master Indenture so that all of the rights, remedies, terms, conditions, covenants and agreements of the Master Indenture, except insofar as modified herein, shall apply and remain in full force and effect with respect to this Seventh Supplemental Indenture and to the 2004 Bonds issued hereunder.

Section 702. Continuing Disclosure Agreement. Contemporaneously with the execution and delivery hereof, the District has executed and delivered a Continuing Disclosure Agreement in order to comply with the requirements of Rule 15c2-12 promulgated under the Securities and Exchange Act of 1934. The District covenants and agrees to comply with the provisions of such Continuing Disclosure Agreement; however, as set forth therein, failure to so comply shall not constitute an Event of Default hereunder, but, instead shall be enforceable by mandamus, injunction or any other means of specific performance.

Section 703. Additional Covenant Regarding Assessments. In addition, and not in limitation of, the covenants contained elsewhere in this Supplemental Indenture and in the Master Indenture, the District covenants to comply with the terms of the proceedings heretofore adopted with respect to the 2004 Assessments,

28

tax parcel, and the denominator of which is (Y) the total initial amount of 2004B Assessments. The Trustee shall be entitled to conclusively rely on such District certification.

In addition, the Developer Reserve Fund Requirement shall be reduced to zero on the date on which the 2004B Bonds are no longer Outstanding hereunder and the Trustee shall close the Developer Reserve Fund and pay over to the Developer any funds then remaining on deposit therein.

Article V Concerning the Trustee

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

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

Section 503. Trustee's Duties. Except as otherwise expressly stated in this Seventh Supplemental Indenture, nothing contained herein shall limit the rights, benefits, privileges, protection and entitlements inuring to the Trustee under the Master Indenture, including, particularly, Article VI thereof.

Article VI Additional Bonds

Section 601. No Parity Bonds. The District covenants and agrees that so long as there are any 2004 Bonds Outstanding, it shall not cause or permit to be caused any lien, charge or claim against the 2004 Trust Estate; provided, however, that the District reserves the right to issue bonds, notes or other obligations payable from or secured by the 2004 Trust Estate pledged to the 2004 Bonds, but only so long as such bonds, notes or other obligations are not entitled to a lien upon or charge against the 2004 Trust Estate equal or prior to the lien of this Supplemental Indenture securing the 2004 Bonds. Each bond, note or

27

including the Assessment Methodology Report, dated July 8, 2004, as supplemented, prepared by Rizzetta & Co., Inc. (the "Report"), and to levy the 2004 Assessments and required payments under the "true up mechanism" set forth in Section VI of the Report, in such manner as will generate funds sufficient to pay the principal of and interest on the 2004 Bonds, when due.

Section 704. Collection of Assessments. Anything herein or in the Master Indenture to the contrary notwithstanding, the 2004B Assessment Principal and the interest thereon may be collected directly by the District and is not required to be collected utilizing the Uniform Method of Collection.

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

SEAL PARKWAY CENTER COMMUNITY
DEVELOPMENT DISTRICT

Attest:

Secretary By: _____
Chairman, Board of Supervisors

SEAL SUNTRUST BANK,
as Trustee

By: _____
Vice President

EXHIBIT A
FORMS OF 2004 BONDS
[TEXT OF 2004A BOND FACE]

No. 2004RA-1-
\$

United States of America

State of Florida

PARKWAY CENTER COMMUNITY DEVELOPMENT
DISTRICT

SPECIAL ASSESSMENT REVENUE REFUNDING BOND,

SERIES 2004A

Interest Rate	Maturity Date	Dated Date	CUSIP
		August 1, 2004	

Registered Owner: CEDE & CO.

Principal Amount:

PARKWAY CENTER COMMUNITY DEVELOPMENT DISTRICT, a community development district duly established and existing pursuant to Chapter 190, Florida Statutes (the "District"), for value received, hereby promises to pay (but only out of the sources hereinafter mentioned) to the registered Owner set forth above, or registered assigns, on the maturity date shown hereon, unless this Bond shall have been called for redemption in whole or in part and payment of the Redemption Price (as defined in the Indenture mentioned hereinafter) shall have been duly made or provided for, the principal amount shown above and to pay (but only out of the sources hereinafter mentioned) interest on the outstanding principal amount hereof from the most recent Interest Payment Date to which interest has been paid or provided for, or, if no interest has been paid, from the Dated Date shown above on May 1 and November 1 of each year (each, an "Interest Payment Date"), commencing on November 1, 2004, until payment of said principal sum has been made or provided for, at the

30

A-1

rate per annum set forth above. Notwithstanding the foregoing, if any Interest Payment Date is not a Business Day (as defined in the Indenture hereinafter mentioned), then all amounts due on such Interest Payment Date shall be payable on the first Business Day succeeding such Interest Payment Date, but shall be deemed paid on such Interest Payment Date. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture (as hereinafter defined), be paid to the registered Owner hereof at the close of business on the regular record date for such interest, which shall be the fifteenth (15th) day of the calendar month next preceding such Interest Payment Date, or, if such day is not a Business Day on the Business Day immediately preceding such day; provided, however, that on or after the occurrence and continuance of an Event of Default under clause (a) of Section 902 of the Master Indenture (hereinafter defined), the payment of interest and principal or Redemption Price or Amortization Installments shall be made by the Paying Agent (hereinafter defined) to such person, who, on a special record date which is fixed by the Trustee, which shall be not more than fifteen (15) and not less than ten (10) days prior to the date of such proposed payment, appears on the registration books of the Bond Registrar as the registered Owner of this Bond. Any payment of principal, Maturity Amount or Redemption Price shall be made only upon presentation hereof at the designated corporate trust office of SunTrust Bank, located in Orlando, Florida, or any alternate or successor paying agent (collectively, the "Paying Agent"). Payment of interest shall be made by check or draft (or by wire transfer to the registered Owner set forth above if such Owner requests such method of payment in writing on or prior to the regular record date for the respective interest payment to such account as shall be specified in such request, but only if the registered Owner set forth above owns not less than \$1,000,000 in aggregate principal amount of the 2004 Bonds, as defined below). Interest on this Bond will be computed on the basis of a 360-day year of twelve 30-day months.

This Bond is one of a duly authorized issue of bonds of the District designated "Special Assessment Revenue Refunding Bonds, Series 2004A" in the aggregate principal amount of \$6,780,000 (the "2004A Bonds") and "Special Assessment Revenue Refunding Bonds, Series 2004B" in the aggregate principal amount of \$15,830,000 (the "2004B Bonds") (the "2004A Bonds," and the "2004B Bonds" together with any other Bonds issued under and governed by the terms of, the

Master Indenture, are hereinafter collectively referred to as the "Bonds"), under a Master Trust Indenture, dated as of May 1, 1990 (the "Master Indenture"), between the District and between the District and SunTrust Bank, located in Orlando, Florida, as trustee as successor in trust to First Union National Bank, Miami, Florida, as trustee (the "Trustee"), as amended and supplemented by a Seventh Supplemental Indenture, dated as of August 1, 2004 (the "Supplemental Indenture"), between the District and the Trustee (the Master Indenture as amended and supplemented by the Supplemental Indenture is hereinafter referred to as the "Indenture"). The 2004 Bonds are issued in an aggregate principal amount of \$22,610,000 to: (i) refund, through purchase, a portion of the Outstanding principal amount of the District's \$3,405,000 Parkway Center Community Development District Special Assessment Revenue Bonds, Series 2000A (the "2000A Bonds") and all of the Outstanding principal amount of the District's \$26,595,000 Parkway Center Community Development District 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"); (ii) pay certain costs associated with the issuance of the 2004 Bonds; and (iii) make a deposit into the Series Reserve Accounts for the benefit of all of the 2004 Bonds; and (iv) to pay a portion of the interest on the Series 2004 Bonds.

NEITHER THIS BOND NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF FLORIDA. THIS BOND AND THE SERIES OF WHICH IT IS A PART AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON AND THEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN UPON ANY PROPERTY OF THE DISTRICT OTHER THAN AS PROVIDED IN THE MASTER INDENTURE OR IN THE SUPPLEMENTAL INDENTURE AUTHORIZING THE ISSUANCE OF THE 2004 BONDS. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE MASTER INDENTURE, THE SUPPLEMENTAL INDENTURE, OR THE 2004 BONDS. RATHER,

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

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

THE TERMS AND PROVISIONS OF THIS BOND ARE CONTINUED ON THE REVERSE HEREOF AND SUCH CONTINUED TERMS AND PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH AT THIS PLACE.

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

Attest:
**PARKWAY CENTER
COMMUNITY DEVELOPMENT
DISTRICT**

Secretary By:
Chairman, Board of Supervisors

[Official Seal]

A-4

A-5

**[FORM OF CERTIFICATE OF AUTHENTICATION FOR
2004A BONDS]**

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

SUNTRUST BANK,
as Trustee

Date of Authentication: By:
Vice President

[TEXT OF 2004A BOND]

This Bond is issued under and pursuant to the Constitution and laws of the State of Florida, particularly Chapter 190, Florida Statutes (2004), and other applicable provisions of law and pursuant to the Indenture, executed counterparts of which Indenture are on file at the corporate trust office of the Trustee. Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of Bonds issued under the Indenture, the collection and disposition of revenues and the funds charged with and pledged to the payment of the principal, Maturity Amount and Redemption Price of, and the interest on, the Bonds, the nature and extent of the security thereby created, the covenants of the District with respect to the levy and collection of Assessments (as defined in the Indenture), the terms and conditions under which the Bonds are or may be issued, the rights, duties, obligations and immunities of the District and the Trustee under the Indenture and the rights of the registered and beneficial Owners of the Bonds, and, by the acceptance of this Bond, the registered Owner hereof assents to all of the provisions of the Indenture. The 2004 Bonds are equally and ratably secured by the 2004 Trust Estate, without preference or priority of one 2004 Bond over another. The Supplemental Indenture does not authorize the issuance of any additional Bonds ranking on a parity with the 2004 Bonds as to the lien and pledge of the Trust Estate.

The 2004 Bonds are issuable only as registered bonds without coupons in current interest form in denominations of \$5,000 or any integral multiple thereof (an "Authorized Denomination"); provided, however, that the 2004 Bonds shall be delivered to the initial purchasers thereof only in aggregate principal amounts of \$100,000 or integral multiples of Authorized Denominations in excess of \$100,000. This Bond is transferable by the registered Owner hereof or his duly authorized attorney at the designated corporate trust office of the Trustee in Orlando, Florida, as Bond Registrar (the "Bond Registrar"), upon surrender of this Bond, accompanied by a duly executed instrument of transfer in form and with guaranty of signature reasonably satisfactory to the Bond Registrar, subject to such reasonable regulations as the District or the Bond Registrar may prescribe, and upon payment of any taxes or other governmental charges incident to such transfer. Upon any such transfer a new Bond or Bonds, in the same aggregate principal amount as the Bond or

A-6

A-22

A-7

Bonds transferred, will be issued to the transferee. At the corporate trust office of the Bond Registrar in Orlando, Florida, in the manner and subject to the limitations and conditions provided in the Master Indenture and without cost, except for any tax or other governmental charge, Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of Authorized Denominations and bearing interest at the same rate or rates.

The 2004A Bonds are subject to redemption prior to maturity at the option of the District in whole or in part at any time on or after May 1, 2014 at the Redemption Prices (expressed as percentages of the principal amount of the 2004A Bonds or portions thereof to be redeemed) set forth below, in each case together with accrued interest to the redemption date:

<u>Redemption Periods (Dates Inclusive)</u>	<u>Redemption Prices</u>
May 1, 2014 through April 30, 2015	101%
May 1, 2015 and thereafter	100

The 2004A Bonds maturing on May 1, 2024 are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the 2004A Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments (as defined in the Master Indenture) at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<u>May 1 of the Year</u>	<u>Amortization Installment</u>	<u>May 1 of the Year</u>	<u>Amortization Installment</u>
2005	\$ 80,000	2015	\$150,000
2006	85,000	2016	160,000
2007	90,000	2017	170,000
2008	95,000	2018	180,000
2009	105,000	2019	190,000
2010	110,000	2020	200,000
2011	115,000	2021	215,000
2012	125,000	2022	230,000
2013	130,000	2023	245,000
2014	140,000	2024	260,000 *

* Maturity

The 2004A Bonds maturing on May 1, 2034 are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the 2004A Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments (as defined in the Master Indenture) at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<u>May 1 of the Year</u>	<u>Amortization Installment</u>	<u>May 1 of the Year</u>	<u>Amortization Installment</u>
2025	\$275,000	2030	\$375,000
2026	295,000	2031	400,000
2027	310,000	2032	425,000
2028	330,000	2033	455,000
2029	355,000	2034	485,000 *

* Maturity

As more particularly set forth in the Master Indenture and Supplemental Indenture, any 2004A 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 2004A Bonds. Amortization Installments of both Term 2004A Bonds are also subject

A-8

to recalculation, as provided in the Supplemental Indenture, as the result of the redemption of 2004A Bonds so as to reamortize the remaining Outstanding principal balance of both of the 2004A term Bonds as set forth in the Supplemental Indenture.

The 2004A Bonds are subject to Extraordinary Mandatory Redemption prior to maturity, in whole on any date or in part on any Interest Payment Date, in the manner determined by the Bond Registrar at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption, if and to the extent that any one or more of the following shall have occurred:

- (a) from Prepayments (as defined in the Indenture) deposited into the 2004A Prepayment Subaccount of the 2004 Redemption Account; or
- (b) on the date on which the amount on deposit in the 2004A Reserve Account, together with other moneys available therefor, are sufficient to pay and redeem all of the 2004A Bonds then Outstanding, including accrued interest thereon.

If less than all of the 2004 Bonds of a Series shall be called for redemption, the particular 2004 Bonds or portions of 2004 Bonds of a Series to be redeemed shall be selected by lot by the Registrar as provided in the Indenture.

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

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

In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the 2004 Bonds then Outstanding under the Indenture may become due and may be declared due and payable before the stated maturities thereof, with the interest accrued thereon.

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

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

If the District deposits or causes to be deposited with the Trustee cash or Federal Securities (as defined in the Indenture) sufficient to pay the principal or redemption price of any Bonds becoming due at maturity or by call for redemption in the manner set forth in the Indenture, together with the interest accrued to the due date, the lien

A-11

of the 2004 Bonds as to the Trust Estate shall be discharged, except for the rights of the Owners thereof with respect to the funds so deposited as provided in the Indenture.

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

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

CERTIFICATE OF VALIDATION

This Bond is one of a Series of Bonds which were validated by judgment of the Circuit Court for Hillsborough County, Florida, rendered on October 4, 1999.

Chairman

[FORM OF BOND COUNSEL OPINION]

[FORM OF ABBREVIATIONS FOR 2004A BONDS]

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

TEN COMas tenants in common

TEN ENTas tenants by the entireties

JU TENas joint tenants with the right of survivorship and not as tenants in common

A-12

[FORM OF ASSIGNMENT FOR 2004A BONDS]

For value received, the undersigned hereby sells, assigns and transfers unto

_____ within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney to transfer the said Bond on the books of the District, with full power of substitution in the premises.

Dated:

Social Security Number or Employer

Identification Number of Transferee:

Signature guaranteed:

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

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

A-14

UNIFORM TRANSFER MIN ACT - _____ Custodian
_____ under Uniform Transfer to Minors Act _____
(Cust.) (Minor) (State)

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

A-13

[TEXT OF 2004B BOND FACE]

No. 2004RB- \$

United States of America
State of Florida
PARKWAY CENTER COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT REVENUE REFUNDING BOND,
SERIES 2004B

Interest Rate	Maturity Date	Dated Date	CUSIP
		August 1, 2004	
Registered Owner:		CEDE & CO.	
Principal Amount:			

PARKWAY CENTER COMMUNITY DEVELOPMENT DISTRICT, a community development district duly established and existing pursuant to Chapter 190, Florida Statutes (the "District"), for value received, hereby promises to pay (but only out of the sources hereinafter mentioned) to the registered Owner set forth above, or registered assigns, on the maturity date shown hereon, unless this Bond shall have been called for redemption in whole or in part and payment of the Redemption Price (as defined in the Indenture mentioned hereinafter) shall have been duly made or provided for, the principal amount shown above and to pay (but only out of the sources hereinafter mentioned) interest on the outstanding principal amount hereof from the most recent Interest Payment Date to which interest has been paid or provided for, or, if no interest has been paid, from the Dated Date shown above on May 1 and November 1 of each year (each, an "Interest Payment Date"), commencing on November 1, 2004, until payment of said principal sum has been made or provided for, at the rate per annum set forth above. Notwithstanding the foregoing, if any Interest Payment Date is not a Business Day (as defined in the Indenture hereinafter mentioned), then all amounts due on such Interest Payment Date shall be payable on the first Business Day succeeding such Interest Payment Date, but shall be deemed paid on such Interest Payment Date. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as

A-15

provided in the Indenture (as hereinafter defined), be paid to the registered Owner hereof at the close of business on the regular record date for such interest, which shall be the fifteenth (15th) day of the calendar month next preceding such Interest Payment Date, or, if such day is not a Business Day on the Business Day immediately preceding such day; provided, however, that on or after the occurrence and continuance of an Event of Default under clause (a) of Section 902 of the Master Indenture (hereinafter defined), the payment of interest and principal or Redemption Price or Amortization Installments shall be made by the Paying Agent (hereinafter defined) to such person, who, on a special record date which is fixed by the Trustee, which shall be not more than fifteen (15) and not less than ten (10) days prior to the date of such proposed payment, appears on the registration books of the Bond Registrar as the registered Owner of this Bond. Any payment of principal, Maturity Amount or Redemption Price shall be made only upon presentation hereof at the designated corporate trust office of SunTrust Bank, located in Orlando, Florida, or any alternate or successor paying agent (collectively, the "Paying Agent"). Payment of interest shall be made by check or draft (or by wire transfer to the registered Owner set forth above if such Owner requests such method of payment in writing on or prior to the regular record date for the respective interest payment to such account as shall be specified in such request, but only if the registered Owner set forth above owns not less than \$1,000,000 in aggregate principal amount of the 2004 Bonds, as defined below). Interest on this Bond will be computed on the basis of a 360-day year of twelve 30-day months.

This Bond is one of a duly authorized issue of bonds of the District designated "Special Assessment Revenue Refunding Bonds, Series 2004A" in the aggregate principal amount of \$6,780,000 (the "2004A Bonds") and "Special Assessment Revenue Refunding Bonds, Series 2004B" in the aggregate principal amount of \$15,830,000 (the "2004B Bonds") (the "2004A Bonds," and the "2004B Bonds" together with any other Bonds issued under and governed by the terms of, the Master Indenture, are hereinafter collectively referred to as the "Bonds"), under a Master Trust Indenture, dated as of May 1, 1990 (the "Master Indenture"), between the District and SunTrust Bank, located in Orlando, Florida, as trustee as successor in trust to First Union National Bank, Miami, Florida, as trustee (the "Trustee"), as amended and supplemented by a Seventh Supplemental Indenture, dated as of August 1, 2004 (the "Supplemental Indenture"), between the District

A-16

THE MASTER INDENTURE AND IN THE SUPPLEMENTAL INDENTURE.

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

THE TERMS AND PROVISIONS OF THIS BOND ARE CONTINUED ON THE REVERSE HEREOF AND SUCH CONTINUED TERMS AND PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH AT THIS PLACE.

A-18

and the Trustee (the Master Indenture as amended and supplemented by the Supplemental Indenture is hereinafter referred to as the "Indenture"). The 2004 Bonds are issued in an aggregate principal amount of \$22,610,000 to: (i) refund, through purchase, a portion of the Outstanding principal amount of the District's \$3,405,000 Parkway Center Community Development District Special Assessment Revenue Bonds, Series 2000A (the "2000A Bonds") and all of the Outstanding principal amount of the District's \$26,595,000 Parkway Center Community Development District 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"), (ii) pay certain costs associated with the issuance of the 2004 Bonds; (iii) make a deposit into the related Series Reserve Accounts for the benefit of all of the 2004 Bonds; and (iv) pay a portion of the interest to become due on the 2004 Bonds.

NEITHER THIS BOND NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF FLORIDA. THIS BOND AND THE SERIES OF WHICH IT IS A PART AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON AND THEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN UPON ANY PROPERTY OF THE DISTRICT OTHER THAN AS PROVIDED IN THE MASTER INDENTURE OR IN THE SUPPLEMENTAL INDENTURE AUTHORIZING THE ISSUANCE OF THE 2004 BONDS. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE MASTER INDENTURE, THE SUPPLEMENTAL INDENTURE, OR THE 2004 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE MASTER INDENTURE, THE SUPPLEMENTAL INDENTURE, OR THE 2004 BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE 2004 PLEDGED REVENUES AND THE 2004 PLEDGED FUNDS PLEDGED TO THE 2004 BONDS, ALL AS PROVIDED HEREIN, IN

A-17

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

Attest:
**PARKWAY CENTER
COMMUNITY DEVELOPMENT
DISTRICT**

Secretary By:
Chairman, Board of Supervisors

[Official Seal]

[FORM OF CERTIFICATE OF AUTHENTICATION FOR 2004B BONDS]

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

Date of Authentication: **SUNTRUST BANK**, as Trustee
By:

Authorized Signatory

A-25

A-19

[TEXT OF 2004B BOND]

This Bond is issued under and pursuant to the Constitution and laws of the State of Florida, particularly Chapter 190, Florida Statutes (2004), and other applicable provisions of law and pursuant to the Indenture, executed counterparts of which Indenture are on file at the corporate trust office of the Trustee. Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of Bonds issued under the Indenture, the collection and disposition of revenues and the funds charged with and pledged to the payment of the principal, Maturity Amount and Redemption Price of, and the interest on, the Bonds, the nature and extent of the security thereby created, the covenants of the District with respect to the levy and collection of Assessments (as defined in the Indenture), the terms and conditions under which the Bonds are or may be issued, the rights, duties, obligations and immunities of the District and the Trustee under the Indenture and the rights of the registered and beneficial Owners of the Bonds, and, by the acceptance of this Bond, the registered Owner hereof assents to all of the provisions of the Indenture. The 2004 Bonds are equally and ratably secured by the 2004 Trust Estate, without preference or priority of one 2004 Bond over another. The Supplemental Indenture does not authorize the issuance of any additional Bonds ranking on a parity with the 2004 Bonds as to the lien and pledge of the Trust Estate.

The 2004 Bonds are issuable only as registered bonds without coupons in current interest form in denominations of \$5,000 or any integral multiple thereof (an "Authorized Denomination"); provided, however, that the 2004 Bonds shall be delivered to the initial purchasers thereof only in aggregate principal amounts of \$100,000 or integral multiples of Authorized Denominations in excess of \$100,000. This Bond is transferable by the registered Owner hereof or his duly authorized attorney at the designated corporate trust office of the Trustee in Orlando, Florida, as Bond Registrar (the "Bond Registrar"), upon surrender of this Bond, accompanied by a duly executed instrument of transfer in form and with guaranty of signature reasonably satisfactory to the Bond Registrar, subject to such reasonable regulations as the District or the Bond Registrar may prescribe, and upon payment of any taxes or other governmental charges incident to such transfer. Upon any such transfer a new Bond or Bonds, in the same aggregate principal amount as the Bond or

A-20

held by the Paying Agent, all as provided in the Indenture, the 2004 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 2004 Bonds or such portions thereof on such date, interest on such 2004 Bonds or such portions thereof so called for redemption shall cease to accrue, such 2004 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 2004 Bonds or such portions thereof so called for redemption except to receive payments of the Redemption Price thereof so held by the Paying Agent. Further notice of redemption shall be given by the Bond Registrar to certain registered securities depositories and information services as set forth in the Indenture, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

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

In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the 2004 Bonds then Outstanding under the Indenture may become and may be declared due and payable before the stated maturities thereof, with the interest accrued thereon.

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

Any moneys held by the Trustee or any Paying Agent in trust for the payment and discharge of any Bond which remain unclaimed for six (6) years after the date when such Bond has become due and payable, either at its stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee or any Paying Agent at such date, or for six (6) years after the date of deposit of such moneys if deposited with the Trustee or Paying Agent after the date when such Bond became due and payable, shall be paid to the District, and

A-22

Bonds transferred, will be issued to the transferee. At the corporate trust office of the Bond Registrar in Orlando, Florida, in the manner and subject to the limitations and conditions provided in the Master Indenture and without cost, except for any tax or other governmental charge, Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of Authorized Denominations and bearing interest at the same rate or rates.

The 2004B Bonds are not subject to optional redemption.

The 2004B Bonds are subject to Extraordinary Mandatory Redemption prior to maturity, in whole on any date or in part on any Interest Payment Date, in the manner determined by the Bond Registrar at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption, if and to the extent that any one or more of the following shall have occurred:

(a) from Prepayments (as defined in the Indenture) deposited into the 2004B Prepayment Subaccount of the 2004 Redemption Account; or

(b) from amounts transferred to the 2004B Prepayment Subaccount of the 2004 Redemption Account resulting from a reduction in the 2004B Reserve Account Requirement as provided for in the Indenture, and, on the date on which the amount on deposit in the 2004B Reserve Account, together with other moneys available therefor, are sufficient to pay and redeem all of the 2004B Bonds then Outstanding, including accrued interest thereon.

If less than all of the 2004 Bonds of a Series shall be called for redemption, the particular 2004 Bonds or portions of 2004 Bonds of a Series to be redeemed shall be selected by lot by the Registrar as provided in the Indenture.

Notice of each redemption of 2004 Bonds is required to be mailed by the Bond Registrar, postage prepaid, not less than thirty (30) nor more than forty-five (45) days prior to the redemption date to each registered Owner of 2004 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

A-21

thereupon and thereafter no claimant shall have any rights against the Paying Agent to or in respect of such moneys.

If the District deposits or causes to be deposited with the Trustee cash or Federal Securities (as defined in the Indenture) sufficient to pay the principal or redemption price of any Bonds becoming due at maturity or by call for redemption in the manner set forth in the Indenture, together with the interest accrued to the due date, the lien of the 2004 Bonds as to the Trust Estate shall be discharged, except for the rights of the Owners thereof with respect to the funds so deposited as provided in the Indenture.

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

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

CERTIFICATE OF VALIDATION

This Bond is one of a Series of Bonds which were validated by judgment of the Circuit Court for Hillsborough County, Florida, rendered on October 4, 1999.

Chairman

[FORM OF BOND COUNSEL OPINION]

[FORM OF ABBREVIATIONS FOR 2004B BONDS]

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

TEN COM as tenants in common

TEN ENT as tenants by the entireties

A-23

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

UNIFORM TRANSFER MIN ACT - _____ Custodian
under Uniform Transfer to Minors Act _____
(Cust) (Minor)

(State)

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

A-24

EXHIBIT B

TO SEVENTH SUPPLEMENTAL TRUST INDENTURE

TAX REGULATORY COVENANTS

These Tax Regulatory Covenants are intended to set forth certain duties and requirements necessary for compliance with Section 148(f) of the Internal Revenue Code of 1986, as amended (the "Code") to the extent necessary to preserve the tax-exempt treatment of interest on the Parkway Center Community Development District Special Assessment Revenue Refunding Bonds, Series 2004A and Series 2004B (the "Bonds"). These Covenants are based upon Section 148(f) and Treasury Regulations Sections 1.148-0 through 1.148-11, 1.149(b)-1 and (d)-1, and 1.150-0 through 1.150-2 (the "Regulations"). However, they are not intended to be exhaustive. Since the requirements of such Section 148(f) are subject to amplification and clarification, it may be necessary to supplement or modify these Covenants from time to time to reflect any additional or different requirements of such Section and the Regulations or to specify that action required hereunder is no longer required or that some further or different action is required to maintain or assure the exemption from federal income tax of interest with respect to the Bonds.

The Bonds will be issued pursuant to a Master Trust Indenture, dated as of May 1, 1990 (the "Master Indenture"), from Parkway Center Community Development District (the "District") and SunTrust Bank (as successor to First Union National Bank of Florida), Orlando, Florida, as trustee (the "Trustee"), as amended and supplemented by a Seventh Supplemental Trust Indenture, dated as of August 1, 2004 (the "Supplemental Indenture") (the Master Indenture, as amended and supplemented by the Supplemental Indenture is hereinafter referred to as the "Indenture").

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

B-1

[FORM OF ASSIGNMENT FOR 2004B BONDS]

For value received, the undersigned hereby sells, assigns and transfers unto

_____ the within Bond and all rights thereunder,
and hereby irrevocably constitutes and appoints
_____, attorney to transfer the said Bond on the
books of the District, with full power of substitution in the premises.

Dated:

Social Security Number or Employer

Identification Number of Transferee:

Signature guaranteed:

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

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

A-25

the Bonds to be included in gross income for federal income tax purposes under the provisions of the Code. The District shall comply with all other requirements as shall be determined by Bond Counsel to be necessary or appropriate to assure that interest on the Bonds will be excludable from gross income for purposes of federal income taxation. To that end, the District shall comply with all requirements of Section 148 of the Code to the extent applicable to the Bonds.

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

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

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

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

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

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

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

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

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

A-27

B-2

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

"Investment Property" means any security, obligation or other property held principally as a passive vehicle for the production of income, within the meaning of Section 1.148-1(b) of the Regulations.

"Issue Date" means [Date of Closing]

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

"Nonpurpose Investment" shall have the meaning ascribed to such term in Section 148(b)(2) of the Code and shall include any Investment Property in which Gross Proceeds are invested which is not acquired to carry out the governmental purpose of the Bonds, e.g., obligations acquired with Gross Proceeds that are invested temporarily until needed for the governmental purpose of the Bonds, that are used to discharge a prior issue, or that are invested in a reasonably required reserve or replacement fund.

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

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

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

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

B-3

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

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

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

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

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

"Value" (of a Bond) means with respect to a Bond issued with not more than two percent original issue discount or original issue

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

"Qualified Administrative Costs" means reasonable, direct administrative costs, other than carrying costs, such as separately stated brokerage and selling commissions that are comparable to those charged nongovernmental entities in transactions not involving tax-exempt bond proceeds, but not legal and accounting fees, recordkeeping, custody or similar costs. In addition, with respect to a guaranteed investment contract or investments purchased for a yield restricted defeasance escrow, such costs will be considered reasonable if (1) the amount of the fee the District treats as a Qualified Administrative Cost does not exceed the lesser of (a) \$25,000, or (b) .2% of the "computational base;" and (2) the District does not treat as Qualified Administrative Costs more than \$75,000 in brokers' commissions or similar fees with respect to all guaranteed investment contracts and investments for yield restricted defeasance escrows purchased with Gross Proceeds of the issue. For purposes of this definition only, "computational base" shall mean the amount the District reasonably expects to be deposited in the guaranteed investment contract over the term of the contract or for investments other than guaranteed investment contracts, the amount of Gross Proceeds initially invested.

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

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

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

"Replacement Proceeds" means amounts that have a sufficiently direct nexus to the Bonds or to the governmental purpose of the Bonds to conclude that the amounts would have been used for that governmental purpose if the Proceeds of the Bonds were not used or to be used for that governmental purpose. For this purpose, governmental purposes include the expected use of amounts for the

B-4

premium, the outstanding principal amount, plus accrued unpaid interest; for any other Bond, its present value.

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

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

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

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

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

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

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

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

"Yield on the Bonds," "2000 Bond Yield" or "Bond Yield" means, for all Computation Dates, the Yield expected as of the date hereof on the Bonds over the term of such Bonds computed by:

B-5

B-6

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

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

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

SECTION 3. REBATE REQUIREMENTS.

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

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

B-7

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

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

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

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

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

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

B-9

(c) Within 30 days after any Computation Date, the District shall calculate or cause to be calculated the Rebatable Arbitrage or any penalty due pursuant to Section 3(f) hereof. Immediately following such calculations, but in no event later than 60 days following the Computation Date (90 days in the case of any penalty payment due pursuant to Section 3(f) hereof), the District shall remit an amount which when added to the future value of previous rebate payments shall not be less than 90% (100% with respect to the Computation Date on the final repayment or retirement of the Bonds) of the Rebatable Arbitrage or 100% of any penalty due pursuant to Section 3(f) hereof as of the applicable Computation Date.

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

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

B-8

Bonds or (ii) \$250,000. Use of Gross Proceeds to redeem the Bonds shall not be treated as an expenditure of such Gross Proceeds. For purposes of this Section 3(e), "Gross Proceeds" shall be modified as described in Section 3(d) above.

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

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

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

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

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

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

As set forth in Section 148(f)(4)(C)(iii) of the Code, for purposes of the expenditure requirements set forth in this Section 3(f), 100% of Available Construction Proceeds of the Bonds shall be treated as expended for the governmental purposes of the issue within the 2-year period beginning on the Issue Date if such requirement is met within

the 3-year period beginning on the Issue Date and such requirement would have been met within such 2-year period but for a reasonable retainage (not exceeding 5% of the Net Proceeds of the Bonds). Use of available construction proceeds to redeem the Bonds shall not be treated as an expenditure of such proceeds.

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

For purposes of Section 148(f)(4)(C)(vii) of the Code, in the event the District fails to meet the expenditure requirements referred to above, the District may elect to pay, in lieu of the Rebutable Arbitrage otherwise required to be paid with respect to such Gross Proceeds, a penalty with respect to the close of each 6-month period after the Issue Date equal to 1.5% of the amount of the Available Construction Proceeds of the Bonds which, as of the close of such period, are not spent as required by the expenditure provisions set forth above. The penalty referred to above shall cease to apply only after the Bonds (including any refunding bonds issued with respect thereto) are no longer outstanding. The District makes no election in regard to the above-described penalty.

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

B-11

transaction costs) less than its Fair Market Value, except as provided below. For this purpose, the following rules shall apply:

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

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

(c) Safe harbor for establishing Fair Market Value for guaranteed investment contracts and Nonpurpose Investments purchased for a yield restricted defeasance escrow. In the case of a guaranteed investment contract or Nonpurpose Investments purchased for a yield restricted defeasance escrow, the purchase price shall not be considered to be an arm's-length price unless all the following conditions are met:

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

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

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

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

(g) The District shall keep proper books of records and accounts containing complete and correct entries of all transactions relating to the receipt, investment, disbursement, allocation and application of the moneys related to the Bonds, including moneys derived from, pledged to, or to be used to make payments on the Bonds. Such records shall, at a minimum, be adequate to enable the District or its consultants to make the calculations for payment of Rebutable Arbitrage as required by this Arbitrage Rebate Statement. The records required to be maintained under this Section 3(g) shall be retained by the District until six years after the retirement of the last obligation of the Bonds or for such other period as the United States Treasury may by regulations otherwise provide. Such records shall at least specify the account or fund to which each investment (or portion thereof) is to be allocated and shall set forth, in the case of each investment security, (i) its purchase price (including the amount of accrued interest to be stated separately), (ii) identifying information, including par amount, coupon rate, and payment dates, (iii) the amount received at maturity or its sale price, as the case may be, including accrued interest, (iv) the amounts and dates of any payments made with respect thereto, (v) the dates of acquisition and disposition or maturity, (vi) the amount of original issue discount or premium (if any), (vii) the frequency of periodic payments (and actual dates and amounts of receipts), (viii) the period of compounding, (ix) the transaction costs (e.g., commissions) incurred in acquiring, carrying or disposing of the Nonpurpose Investments, and (x) market price data sufficient to establish that the purchase price (disposition price) was not greater than (less than) the arm's-length price (see Section 4 below) on the date of acquisition (disposition) or, if earlier, on the date of a binding contract to acquire (dispose of) such Nonpurpose Investment.

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

B-12

submitted solely as a courtesy to the District or any other person for purposes of satisfying these requirements;

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

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

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

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

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

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

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

B-13

B-14

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

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

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

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

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

(B) The lowest cost bona fide bid (including any broker's fees) is not greater than the cost of the most efficient portfolio comprised exclusively of State and Local Government Series Securities from the United States Department of the Treasury, Bureau of Public Debt. The cost of the most efficient portfolio of State and Local Government Series Securities is to be determined at the time that bids are required to be submitted pursuant to the terms of the bid specifications. If such State and Local Government Series Securities are not available for purchase on the day that bids are required to be submitted because sales of those securities have been suspended, the cost comparison described in this paragraph is not required.

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

B-15

promulgated by the United States Treasury Department from time to time.

SECTION 6. ACCOUNTING FOR GROSS PROCEEDS.

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

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

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

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

B-17

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

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

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

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

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

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

SECTION 5. MODIFICATION UPON RECEIPT OF BOND COUNSEL OPINION. Notwithstanding any provision of these Covenants, if the District shall receive an opinion of Bond Counsel that any specified action required under these Covenants is no longer required or that some further or different action is required to maintain or assure the exclusion from federal gross income of interest with respect to the Bonds, the District may conclusively rely on such opinion in complying with the requirements of these Covenants and the covenants herein shall be deemed to be modified to that extent. These Covenants shall be amended or modified by the parties hereto in any manner which is necessary to comply with such regulations as may be

B-16

APPENDIX I

ALLOCATION AND ACCOUNTING RULES

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

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

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

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

B-18

after the date as of which the allocation of Gross Proceeds to the expenditure is made.

(e) **Commingled Funds.** Any fund or account that contains both Gross Proceeds of an issue and amounts in excess of \$25,000 that are not Gross Proceeds of that issue if the amounts in the fund or account are invested and accounted for collectively, without regard to the source of the funds deposited therein, constitutes a "commingled fund." All payments and receipts (including deemed payments and receipts) on investments held by a commingled fund must be allocated (but not necessarily distributed) among each different source of funds invested in the commingled fund in accordance with a consistently applied, reasonable ratable allocation method. Reasonable ratable allocation methods include, without limitation, methods that allocate payments and receipts in proportion to either (i) the average daily balances of the amounts in the commingled fund from each different source of funds during any consistent time period within its fiscal year, but at least quarterly (the "Fiscal Period"); or (ii) the average of the beginning and ending balances of the amounts in the commingled fund from each different source of funds for a Fiscal Period that does not exceed one month.

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

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

B-19

held in accounts or otherwise by an issuer for working capital expenditures of the type being financed by the issue without legislative or judicial action and without a legislative, judicial or contractual requirement that those amounts be reimbursed. Notwithstanding the preceding sentence, a "reasonable working capital reserve" is treated as unavailable. A working capital reserve is reasonable if it does not exceed five percent of the actual working capital expenditures of an issuer in the fiscal year before the year in which the determination of available amounts is made. For purpose of the preceding sentence only, in determining the working capital expenditures of an issuer for a prior fiscal year, any expenditures (whether capital or working capital expenditures) that are paid out of current revenues may be treated as working capital expenditures.

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

B-21

to only one issue at a time as Gross Proceeds, investments held by a commingled fund must be allocated ratably among the issues served by the commingled fund in proportion to either (i) the relative values of the bonds of those issues; (ii) the relative amounts of the remaining maximum annual debt service requirements on the outstanding principal amounts of those issues; or (iii) the relative original stated principal amounts of the outstanding issues.

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

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

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

For purposes of this section, "available amount" means any amount that is available to an issuer for working capital expenditure purposes of the type financed by the issue. Available amount excludes Proceeds of the issue but includes cash, investments and other amounts

B-20

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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 2004 BONDS**

Upon delivery of the 2004 Bonds in definitive form, Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, proposes to render its opinion with respect to such 2004 Bonds in substantially the following form:

(Date of Closing)

Board of Supervisors
Parkway Center Community
Development District

Re: \$6,780,000 Parkway Center Community Development District
 Special Assessment Revenue Refunding, Series 2004A and
 \$15,830,000 Parkway Center Community Development
 District Special Assessment Revenue Refunding, Series
 2004B

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 \$6,780,000 Special Assessment Revenue Refunding, Series 2004A and \$15,830,000 Special Assessment Revenue Refunding, Series 2004B (collectively, the "2004 Bonds"). The 2004 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 Seventh Supplemental Trust Indenture, dated as of August 1, 2004 (collectively, the Master Indenture as amended and supplemented by the Seventh Supplemental Indenture is hereinafter referred to as the "Indenture"), each from the District to SunTrust Bank, Orlando, Florida (as successor in trust to First Union National Bank under the Master Indenture), as trustee (the "Trustee") and resolutions adopted by the Board of Supervisors of the District on March 2, 2004 (the "Bond Resolution"). The 2004 Bonds are issued to: (i) refund, through purchase, a portion of the Outstanding principal amount of the District's

\$3,405,000 Parkway Center Community Development District Special Assessment Revenue Bonds, Series 2000A (the "2000A Bonds") and all of the Outstanding principal amount of the District's \$26,595,000 Parkway Center Community Development District 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"); (ii) pay certain costs associated with the issuance of the 2004 Bonds; (iii) pay a portion of the interest to become due on the 2004 Bonds, and (iv) make a deposit into the Series Reserve Accounts for the benefit of all of the 2004 Bonds. The 2004 Bonds refund Bonds which were validated by final judgment of the Circuit Court of Hillsborough County, Florida on October 4, 1999. The 2004 Bonds are payable from and secured by Assessments (as defined in the Indenture) on property within the District specially benefited by the assessable improvements financed with the proceeds of the Refunded Bonds and also by the 2004 Pledged Revenues and 2004 Pledged Funds comprising the 2004 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 2004 Bonds recite that neither the 2004 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 2004 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 2004 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 2004 Bonds. Rather, debt service and any other amounts required to be paid pursuant to the Indenture or the 2004 Bonds, shall be payable solely from, and shall be secured solely by the 2004 Pledged Revenues, together with the 2004 Pledged Funds comprising the 2004 Trust Estate pledged to the 2004 Bonds, all as provided in the 2004 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 2004 Trust Estate to the extent provided in the Indenture.

3. The 2004 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 2004 Bonds have been duly and validly authorized and issued in accordance with law and the Indenture.

4. The 2004 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 2004 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 District

Page 4

comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the 2004 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 2004 Bonds to be so included in gross income retroactive to the date of issuance of the 2004 Bonds. The District has covenanted to comply with all such requirements. Ownership of the 2004 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 2004 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 2004 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 2004 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 2004 Bonds and we express no opinion relating thereto.

We have examined the form of the 2004 Bonds and, in our opinion, the form of the 2004 Bonds is regular and proper.

Very truly yours,
NABORS, GIBLIN & NICKERSON, P.A.

APPENDIX C

FORM OF CONTINUING DISCLOSURE AGREEMENT

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FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement") dated as of August 1, 2004, is executed and delivered by the Parkway Center Community Development District (the "Issuer"), Morrison Homes, Inc., a Florida corporation and Oak Creek Land Company, a Florida corporation (collectively, or individually as necessary, for purposes of this Continuing Disclosure Agreement, the "Developer"), and Prager, Sealy & Co., LLC, as Dissemination Agent (the "Dissemination Agent") in connection with the issuance of the \$6,780,000 Parkway Center Community Development District Special Assessment Revenue Refunding Bonds, Series 2004A (the "2004A Bonds") and the \$15,830,000 Parkway Center Community Development District Special Assessment Revenue Refunding Bonds, Series 2004B (the "2004B Bonds," together with the 2004A Bonds, collectively, the "2004 Bonds"). The 2004 Bonds are being issued by the Issuer pursuant to a Master Trust Indenture dated as of May 1, 1990 (the "Master Indenture") between the District and SunTrust Bank (the "Trustee") as the ultimate successor to First Union National Bank, as supplemented by that certain Seventh Supplemental Trust Indenture between the District and the Trustee, dated as of August 1, 2004 (the "Supplemental Indenture" and, together with the Master Indenture, the "Indenture"). The Issuer, the Developer and the Dissemination Agent covenant and agree as follows:

1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer and the Developer to provide information required by the Indenture. The Issuer represents that the information is consistent with the requirements of S.E.C. Rule 15c2-12(b)(5).

The provisions of this Disclosure Agreement are supplemental and in addition to the provisions of the Indenture with respect to reports, filings and notifications provided for therein, and do not in any way relieve the Issuer, the Trustee or any other person of any covenant, agreement or obligation under the Indenture (or remove any of the benefits thereof) nor shall anything herein prohibit the Issuer, the Trustee or any other person from making any reports, filings or notifications required by the Indenture or any applicable law.

2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Assessments" shall mean the non-ad valorem special assessments pledged to the Bonds.

"Disclosure Representative" shall mean the District Manager of the Issuer or his or her designee, or such other officer or employee as the Issuer shall designate in writing to the Trustee and the Dissemination Agent from time to time.

"Dissemination Agent" shall mean the Issuer, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer and Trustee a written acceptance of such designation. Prager, Sealy & Co., LLC has been designated as the initial Dissemination Agent hereunder.

"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.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

"National Repository" shall mean any 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/info/municipal/nrmsir.htm>."

"Participating Underwriter" shall mean the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Obligated Person(s)" shall mean, with respect to the Series 2004 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 Series 2004 Bonds, which person(s) shall include the Issuer, and the Developer for so long as the Developer is the owner of at least 20% of the lands which have been determined by the Issuer to be lands benefited by the project financed with proceeds of the Series 2004 Bonds (the "Series 2004 Project") or is responsible for payment of at least 20% of the Assessments.

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

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

"State Repository" shall mean any public or private repository or entity designated by the State as a state repository for the purposes of the Rule.

"Tax-exempt" shall mean that interest on the Bonds is excluded from gross income for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating any other tax liability, including any alternative minimum tax.

3. Provision of Annual Reports.

(a) Subject to the following sentence, the Issuer shall provide the Annual Report to the Dissemination Agent and the Trustee no later than 180 days after the close of the Issuer's Fiscal Year, commencing with the Fiscal Year ended September 30, 2004. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report, and may be submitted up to, but no later than, 365 days after the close of the Issuer's Fiscal Year. The Issuer shall, or shall cause the Dissemination Agent to, provide to each Repository the components of an Annual Report which satisfies the requirements of Section 4(a) of this Disclosure Agreement within thirty days after same becomes available. If the Issuer's Fiscal Year changes, the Issuer shall give notice of such change in the same manner as for a Listed Event under Section 5.

(b) If by the 180th day after the close of the Issuer's Fiscal Year the Dissemination Agent has not received a copy of the Annual Report (other than the audited financial statements of the Issuer), the Dissemination Agent shall notify the Issuer in writing that the Issuer has not complied with its obligations under subsection (a) above. If by the 365th day after the close of the Issuer's Fiscal Year the Dissemination Agent has not received a copy of the audited financial statements of the Issuer, the Dissemination Agent shall notify the Issuer in writing that the Issuer has not complied with its obligations under subsection (a) above.

(c) If the Dissemination Agent is unable to verify in writing from the Issuer that the Issuer has filed an Annual Report with the Repositories by the date required in subsection (a) above, the Dissemination Agent shall send a notice to each Repository in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each National Repository and each State Repository, if any; and

(ii) promptly upon fulfilling its obligations under subsection (a) above, file a report with the Issuer and the Trustee certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date(s) it was provided and listing all the Repositories to which it was provided.

4. (a) Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the following:

(i) The amount of Series 2004 Assessments and Series 2004 Assessments levied for the most recent Fiscal Year.

(ii) The amount of Series 2004 Assessments and Series 2004 Assessments collected from the property owners during the most recent Fiscal Year.

(iii) If available, the amount of delinquencies greater than 150 days, and, in the event that delinquencies amount to more than ten percent (10%) of the amounts of Series 2004 Assessments and Series 2004 Assessments due in any year, a list of delinquent property owners.

(iv) If available, the amount of tax certificates sold, if any, and the balance, if any, remaining for sale from the most recent Fiscal Year.

(v) All fund balances in all Funds and Accounts for the Bonds. The Issuer shall provide any Bondholder with this information more frequently than annually within thirty (30) days of the written request of the Bondholder.

(vi) The total amount of Bonds Outstanding.

(vii) The amount of principal and interest to be paid in the current Fiscal Year.

(viii) The most recent audited financial statements of the Issuer (provided, however, if the Issuer has not prepared audited financial statements for its Fiscal Year ending September 30, 2004, the first Annual Report submitted by the Issuer in accordance herewith may include unaudited financial statements for such Fiscal Year).

To the extent any of the items set forth in subsections (i) through (vii) above are included in the audited financial statements referred to in subsection (viii) above, they do not have to be separately set forth. Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Issuer shall clearly identify each such other document so incorporated by reference.

(b) The parties to this Disclosure Agreement agree to assist the Issuer and the Dissemination Agent in preparing and providing the information necessary to prepare the Annual Report and the quarterly reports. The Developer or its successors or assigns agrees to provide the information necessary to prepare the Annual Report (if applicable) and quarterly reports so long as it is an owner of 20% of the property that was owned by such party at the time the Bonds were issued and delivered. If the Developer transfers an interest in its component of the Development to an entity which will in turn own at least 20% or more of the Developer's component of the Development as determined at the time of delivery of the Bonds, the Developer agrees to assign its respective obligations set forth herein to its successor in interest.

(c) The financial statements provided by the Issuer shall be audited.

(d) The Developer, so long as it is an owner or optionee of at least 20% of the property subject to the 2004 Assessments, shall also prepare reports no later than thirty (30) days after

the end of each calendar quarter commencing December 31, 2004, and provide these reports to the Dissemination Agent and to any Bondholders that request them, provided, however, that so long as the Developer is a reporting company, such thirty (30) days shall be extended to the date of filing of the Developer's 10K or 10Q, if later, as the case may be. At such time as each Developer and their assigns no longer owns more than 20% of their respective component of the Development, the Developer will no longer be obligated to prepare the quarterly reports as it relates to such component of the Development.

These quarterly reports may address the following, as applicable:

- (i) The percentage of infrastructure improvements that have been completed with the proceeds of the Bonds.
- (ii) The number of homes planned on property which is being assessed to repay the Bonds.
- (iii) The number and type of property (lots, parcels, raw land, etc.) sold to builders and/or retail buyers.
- (iv) The number of homes constructed.
- (v) The number of homes occupied.
- (vi) The number of units, type of units and square footage of commercial property or other non-residential uses planned on property which is being assessed to repay the Bonds.
- (vii) The number and type of property (parcels, raw land, etc.) sold for non-residential development, if any.
- (viii) The square footage of non-residential property constructed, if any.
- (ix) The estimated date of complete build-out of residential units.
- (x) Whether the Developer has made any bulk sale of the land within the District other than in the ordinary course of business.
- (xi) The anchor (more than 10% of the square footage) tenants of non-residential property, if any.
- (xii) The status of development approvals for the Development.
- (xiii) Materially adverse changes or determinations to permits/approvals for the Development which necessitate changes to the Developer's land-use plans.

(xv) 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.

5. Reporting of Significant Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events:

1. Delinquency in payment when due of any principal or interest on the Bonds.

2. Amendment to the Indenture or this Disclosure Agreement modifying the rights of the owners of the Bonds.

3. Giving a notice of optional or unscheduled redemption of any Bonds.

4. Defeasance of the Bonds or any portion thereof.

5. Any change in any rating of the Bonds.*

6. (A) Receipt of an opinion of nationally recognized bond counsel to the effect that interest on the Bonds is not Tax-exempt; or

(B) Any event adversely affecting the Tax-exempt status of the Bonds, including, but not limited to:

(i) Any audit, investigation or other challenge of the tax-exempt status of the Bonds by the Internal Revenue Service or in any administrative or judicial proceeding; or

(ii) The issuance of any regulation, decision or other official pronouncement by the Internal Revenue Service or other official tax authority or by any court adversely affecting the tax-exempt status of the bonds or bonds of the same type as the bonds or financing structures of the same type as financed by the Bonds.

7. Any unscheduled draw on the Debt Service Reserve Fund reflecting financial difficulties.

* Note: The Bonds are not rated

8. Any unscheduled draw on credit enhancements reflecting financial difficulties.**

9. The release, substitution or sale of property securing repayment of the Bonds (including property leased, mortgaged or pledged as such security). The sale of real property in the District in the ordinary course of the Developer's business shall not be a material event for purposes of the foregoing.

10. The substitution of credit or liquidity providers or their failure to perform.**

11. Occurrence of any Event of Default under the Indenture (other than as described in clause (1) above).

(b) The Issuer shall, within five (5) business days of obtaining actual knowledge of the occurrence of any of the Listed Events, subject to Section 5(e)(i) below, notify the Dissemination Agent in writing of such event and whether or not to report the event pursuant to subsection (e).

(c) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, the Issuer shall file a notice of the occurrence of a Listed Event, with (i) the Repositories, or (ii) the State Repository, if any, if material.

(d) If the Issuer sends notice pursuant to subsection (c) or otherwise, the Issuer shall promptly notify the Dissemination Agent. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (e).

(e) If the Dissemination Agent has been instructed by the Issuer to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the Municipal Securities Rulemaking Board. Notwithstanding the foregoing:

(i) notice of the occurrence of a Listed Event, shall be given by the Dissemination Agent (other than for those listed in subsections (a)(1), (3) or (4), for which notice shall always be given) unless the Issuer gives the Dissemination Agent affirmative instructions not to disclose such occurrence; and

(ii) notice of Listed Events described in subsections (a)(3) and (4) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Indenture.

6. Termination of Disclosure Agreement. This Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

** Note: There are currently no credit or liquidity providers for the Bonds

7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. The initial Dissemination Agent shall be Prager, Sealy, & Co., LLC. The acceptance of such designation is evidenced in the Dissemination Agreement of even date herewith, executed by the Issuer and Prager, Sealy, & Co., LLC.

8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Developer may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, acceptable to the Issuer, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

Notwithstanding the above provisions of this Section 8, no amendment to the provisions of Section 4(d) hereof may be made without the consent of the Developer as long as the Developer is an Obligated Person.

In the event of any amendment or waiver of a provision of this Agreement, the Issuer 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 in accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. 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.

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

10. Default. In the event of a failure of the Issuer, the Disclosure Representative, the Developer, or a Dissemination Agent to comply with any provision of this Disclosure Agreement, the

Trustee may (and, at the request of any Participating Underwriter or the Holders of at least 25% aggregate principal amount of Outstanding Bonds and receipt of indemnity satisfactory to the Trustee, shall), or any beneficial owner of a bond may take such actions as may be necessary and appropriate, including seeking mandate or specify performance by court order, to cause the Issuer, the Disclosure Representative, the Developer, or a Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement by the Developer shall not be deemed a default by the Issuer hereunder and no default hereunder shall be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer, the Disclosure Representative, the Developer, or a Dissemination Agent, to comply with this Disclosure Agreement shall be an action to compel performance.

11. Duties of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement.

12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Developer, the Dissemination Agent, the Participating Underwriters and beneficial owners of the Bonds, and shall create no rights in any other person or entity.

13. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

14. 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.

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

ISSUER

PARKWAY CENTER COMMUNITY
DEVELOPMENT DISTRICT

[SEAL]

By: _____
Chairman, Board of Supervisors

ATTEST

Secretary

DEVELOPER

MORRISON HOMES, INC.,
a Florida corporation

By: _____
Name: _____
As Its: _____

OWNER

OAK CREEK LAND COMPANY,
a Florida corporation

By: _____
Name: _____
As Its: _____

DISSEMINATION AGENT

PRAGER, SEALY & CO., LLC

By: _____
Name: _____
As Its: _____

EXHIBIT A

**NOTICE TO REPOSITORIES
OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: Parkway Center Community Development District

Name of Bond Issue: \$6,780,000 Parkway Center Community Development District Special Assessment Revenue Refunding Bonds, Series 2004A (the "2004A Bonds") and the \$15,830,000 Parkway Center Community Development District Special Assessment Revenue Refunding Bonds, Series 2004B

Date of Issuance: August 1, 2004

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Agreement dated as of _____, between the Issuer and the Developer named therein. The Issuer has advised the undersigned that it anticipates that the Annual Report will be filed by _____, 20____.

Dated: _____, Dissemination Agent

cc: Issuer

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APPENDIX D

SPECIAL ASSESSMENT ALLOCATION REPORT

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***FINAL
SPECIAL ASSESSMENT ALLOCATION REPORT***

***PARKWAY CENTER
COMMUNITY DEVELOPMENT DISTRICT***

***SPECIAL ASSESSMENT REVENUE REFUNDING BONDS, SERIES 2004A
SPECIAL ASSESSMENT REVENUE REFUNDING BONDS, SERIES 2004B***

Prepared By:

RIZZETTA & COMPANY, INC.

3434 Colwell Ave.
Suite 200
Tampa, Florida 33614

July 30, 2004

RIZZETTA & COMPANY
INCORPORATED

TABLE OF CONTENTS

	<u>Page</u>
I. OVERVIEW	1
II. DEFINED TERMS	1
III. SERIES 2004 REFUNDING.....	2
IV. FINANCING PLAN	2
A) Series 2004A Bonds	2
B) Series 2004B Bonds	3
V. ALLOCATION METHODOLOGY	3
VI. MODIFICATIONS AND REVISIONS.....	4
EXHIBIT A ALLOCATION METHODOLOGY/FINAL ASSESSMENT ROLL.....	6

INDEX OF TABLES

<u>Table</u>	<u>Description</u>	<u>Page</u>
1	PROJECT STATISTICS.....	A - 1
2	FINANCING INFORMATION – SERIES 2004A LONG TERM BONDS	A - 2
3	FINANCING INFORMATION – SERIES 2004B SHORT TERM BONDS	A - 3
4	ALLOCATION METHODOLOGY – SERIES 2004A LONG TERM BONDS	A - 4
5	ALLOCATION METHODOLOGY – SERIES 2004B SHORT TERM BONDS.....	A - 4
	FINAL ASSESSMENT ROLL.....	A - 5
	ASSESSMENT PLAT.....	A - 6

**PARKWAY CENTER
COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT REVENUE REFUNDING BONDS, SERIES 2004A
SPECIAL ASSESSMENT REVENUE REFUNDING BONDS, SERIES 2004B**

**FINAL
SPECIAL ASSESSMENT ALLOCATION REPORT**

I. OVERVIEW

This Special Assessment Allocation Report relates to the proposed refunding of bonds for the Parkway Center Community Development District. The District has previously issued its Special Assessment Revenue Bonds, Series 2000A, in the amount of \$3,405,000 and Special Assessment Revenue Bonds, Series 2000B, in the amount of \$26,595,000 to refund the Series 1997 Bonds in the amount of \$15,809,513 and to finance the 2000 Project in the amount of \$12,835,106 that provided special benefit to certain parcels of land within the District. The District proposes to issue its Special Assessment Revenue Refunding Bonds, Series 2004, to refund in part, the Series 2000A Bonds and in whole, the Series 2000B Bonds outstanding on the undeveloped parcels within the District. These bonds will be secured by and repaid from special assessments levied on the Benefited Parcels. For purposes of this report, the assessments levied on the Benefited Parcels to repay the Series 2004 Bonds are referred to as Series 2004A Long Term Assessments and Series 2004B Short Term Assessments. The lot sizes and the total number of units of each lot size to be encumbered by the Series 2004 Bonds are shown on Table 1 of Exhibit A of this report.

II. DEFINED TERMS

"Benefited Parcels" - Parcels of land within the development that will be encumbered by the Series 2004 Bonds.

"District" - Parkway Center Community Development District

"Equivalent Assessment Unit" – (EAU) An estimate of the relationship between the product types, based on a comparison of the land area of each product, and is used as a comparison of the estimated benefit received by each product type.

"Platted Units" - Residential units which have been platted.

"Remaining Units" - Residential units remaining to be platted.

"Series 2004A Long Term Assessments" - Annual assessments required to repay the Series 2004A Bonds. Series 2004A Long Term Assessments include principal, interest and collection costs.

"Series 2004A Long Term Bonds" - Special Assessment Revenue Refunding Bonds issued for an approximately 30 year term to finance a portion of the Series 2004 Refunding.

"Series 2004B Short Term Assessments" - Annual assessments required to re-pay the Series 2004B

Bonds. Series 2004B Short Term Assessments include interest only through November 1, 2013 and principal plus interest due on May 1, 2014. It is anticipated that principal will be pre-paid as lots are sold to builders or end users.

“Series 2004B Short Term Bonds” – Special Assessment Revenue Refunding Bonds issued for an approximately 10 year term to finance a portion of the Series 2004 Refunding.

“Series 2004 Bonds” – Collectively, Long Term and Short Term Special Assessment Revenue Refunding Bonds issued during the year 2004 to refund, in whole or in part, the Series 2000A Bonds and Series 2000B Bonds outstanding on the undeveloped parcels within the District.

“Series 2004 Refunding” –Refunding, in whole or in part, the Series 2000A Bonds and Series 2000B Bonds outstanding on the undeveloped parcels within the District.

"2000 Project" - Construction and/or acquisition of public infrastructure funded with proceeds of the Series 2000 Bonds. Total cost for the 2000 Project was \$12,835,106.

III. SERIES 2004 REFUNDING

The proceeds from the Series 2004 Refunding are estimated to be \$20,735,510 and will be used to partially refund the Series 2000 Bonds outstanding on the undeveloped land.

IV. FINANCING PLAN

The Series 2004 Refunding described above will be financed with two Series of bonds, Series 2004A Long Term Bonds, which will be secured by assessments levied on the lots identified on Table 4 of Exhibit A of this report, and Series 2004B Short Term Bonds, which will be secured by assessments levied on the lots identified on Table 5 of Exhibit A of this report as follows:

A) Series 2004A Bonds

The Series 2004A Long Term Bonds proceeds will be used to finance a portion of the Series 2004 Refunding in the amount of \$5,979,920 and will require a par amount of \$6,780,000. The par amount of the bonds includes the capitalized interest, original issue discounts, if any, reserves and issuance costs. These bonds are expected to be repaid by Series 2004A Long Term Assessments levied on the Benefited Parcels as identified on Table 4 of Exhibit A of this report.

The maximum annual debt service for the Series 2004A Long Term Bonds is approximately \$502,106 and includes both principal and interest. This is based on an issue of \$6,780,000 with an August 1, 2004 dated date, maturing on May 1, 2034, an average coupon rate of 6.25% and 30 annual principal amortization installments due May 1, 2005 through May 1, 2034 and 3 months of capitalized interest through the November 1, 2004 interest payment date. The annual debt service payment was then adjusted to allow for early payment discounts of 4% and Hillsborough County collection costs of 4% resulting in a total annual Series 2004A Long Term Assessment, including principal, interest and collection costs of \$545,767.

B) Series 2004B Bonds

The Series 2004B Short Term Bonds proceeds will be used to finance a portion of the Series 2004 Refunding in the amount of \$14,755,590 and will require a par amount of \$15,830,000. The par amount of the bonds includes the capitalized interest, original issue discounts, if any, reserves and issuance costs. These bonds are expected to be repaid by Series 2004B Short Term Assessments levied on the Benefited Parcels as identified on Table 5 of Exhibit A of this Report.

The annual debt service for the Series 2004B Short Term Bonds is \$890,438 and includes interest only. This is based on an issue of \$15,830,000 with an August 1, 2004 dated date, maturing on May 1, 2014, a 5.625% coupon rate and 3 months of capitalized interest through the November 1, 2004 interest payment date. It is contemplated that the District will directly collect the annual debt service payments for repayment of the Series 2004B Bonds. Therefore, it was not necessary to adjust these amounts for early payment discounts. This results in a total annual assessment of \$890,438 for the interest only period of years 2005 through 2013. At maturity, May 1, 2014, the final assessment installment will be \$16,275,219, consisting of principal plus the May 1, 2014 interest payment, unless this amount has been reduced by prepayments prior to maturity.

V. ALLOCATION METHODOLOGY

As described above, the District contemplates issuing a total of \$22,610,000 of Bonds to finance the Series 2004 Refunding. This debt is to be allocated among the Benefited Parcels in proportion to the benefit received from the Series 2004 Refunding pursuant to the allocation methodology described herein.

The initial allocation of the assessments for both the Series 2004 Bonds will be to each of the various types of residential products planned for development. It was determined that each platted lot within these product types will receive a similar amount of benefit from the construction and/or acquisition of the 2000 Project. Therefore, for the Series 2004 Refunding, a standard allocation will be computed for each such product type based on an allocation factor using Equivalent Assessment Units for each product type as a percentage of total EAUs for all products planned for development within the district. The EAU factors for each product are listed below.

<u>Product Type</u>	<u>EAU Factor</u>
Townhouse	.75
SF 40'/45' Lot	1.00
SF 50' Lot	1.25
SF 60' Lot	1.50

The subsequent allocation to each lot within each product type will be on a pro-rata basis (i.e., total assessment allocated to a product type divided by the number of lots in that product type). This allocation is made because it was determined that there is no material difference in the benefit received, from the Series 2004 Refunding among the lots within each product type because all lots are expected to be of generally similar size.

The allocation methodology is shown in Exhibit A of this report.

VI. MODIFICATIONS AND REVISIONS

Allocation of costs and benefit for the improvements is based on the expected land use or planned number of residential lots or units within each product type that will be achieved when the Benefited Parcels are platted into individual lots or units. In order to ensure sufficient revenue from such special assessments is received from the subsequent platting of the lands within the District into individual lots or units, the District will be required to perform a "true-up" analysis which would require a periodic computation to determine the total Platted Units and the planned number of Remaining Units within each product type.

As residential lots are platted, if the assessment revenue anticipated to be generated from the sum of the Platted Units and the Remaining Units is equal to or greater than that of the Total Units, no action would be required at that time. However, if the assessment revenue anticipated to be generated from the sum of the Platted Units and the Remaining Units is less than that of the Total Units, the Developer will be obligated to immediately remit, to the Trustee, for deposit into the redemption account pursuant to the Trust Indenture, the total assessment for the difference between the Total Units and the sum of the Platted Units and the Remaining Units. This total assessment is the principal amount of the Series 2004 Bonds allocated to each unit based on the methodology described herein plus applicable interest and as shown in Tables 4 and 5 of Exhibit A of this report. The true-up computation will be required each of the following intervals:

- 1) The plat for which at least 25% of the undeveloped land is platted;
- 2) The plat for which at least 50% of the undeveloped land is platted;
- 3) The plat for which at least 75% of the undeveloped land is platted; and
- 4) The final plat of the undeveloped land.

Included as page A-6 of Exhibit "A" of this report, is the Assessment Plat identifying the land on which the assessments are levied. The Assessment Plat is incorporated into and is a part of the Assessment Roll. The Assessment Plat identifies Areas 1, 2, 3, 4 and 6 which are specifically assessed pursuant to the Assessment Roll attached as page A-5 of Exhibit "A" of this report.

As provided herein, the property identified as the Eagles Lots are contingently assessed. Because of the current presence of an eagle, the property is not developable. At the time any or all of the Eagle Lot property is platted, the assessments herein shall be reapplied pursuant to the assessment methodology and the Eagle Lots shall be allocated an appropriate share of the Series 2004A Assessments only, while all currently assessed lands will receive a related reduction in the Series 2004A Assessments.

In the case of the 78th Street Lots, for the following reasons no assessments shall be levied on the property. In order to be developable, substantial improvements to 78th Street will be required. Previous assessments levied by the District had included funding for at least a portion of the 78th Street improvements. Included in Exhibit "A" to Resolution 2000-3 the project "78th Street Widening (±7,200') was identified as an improvement that would be funded by the assessments. No improvements to 78th Street have been made by the District. The 78th Street Lots are separated by a power line from the rest of the District and will utilize 78th Street for access and other infrastructure services. Currently, it is assumed that the 78th Street Lots have little or no value without substantial improvements being made to 78th Street. Further, given the anticipated direct contribution by the developer(s) of the needed improvements to 78th Street, those improvements will provide a direct benefit to the 78th Street Lots and a reasonable off-set to any assessment that could be levied by the District.

The property identified as the Park shall also not be assessed, unless it becomes developable in the future. Other than the 78th Street property, if any other lands not currently subject to the assessments as described herein are developed in the manner as to receive special benefits from the improvements also described herein, or additional land uses are developed, this assessment methodology shall be reapplied to include such additional land or additional land uses.

The final assessment roll is shown on Page A-5 of Exhibit A of this report.

EXHIBIT A

ALLOCATION METHODOLOGY

AND

FINAL ASSESSMENT ROLL

**PARKWAY CENTER
COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT REVENUE REFUNDING BONDS, SERIES 2004A
SPECIAL ASSESSMENT REVENUE REFUNDING BONDS, SERIES 2004B**

TABLE 1: PROJECT STATISTICS

<u>PRODUCT</u>	<u>LOT SIZE</u>	<u>PER UNIT ERUs (1)</u>	<u>TOTAL UNITS</u>	
Townhome	TH	0.75	778	Units
Single Family 40'/45'	40'	1.00	170	Lots
Single Family 50'	50'	1.25	254	Lots
Single Family 60'	60'	1.50	94	Lots
TOTAL			1,296	

(1) Equivalent Residential Unit

**PARKWAY CENTER
COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT REVENUE REFUNDING BONDS, SERIES 2004A
SPECIAL ASSESSMENT REVENUE REFUNDING BONDS, SERIES 2004B**

TABLE 2: FINANCING INFORMATION - SERIES 2004A LONG TERM BONDS			
Average Coupon Rate			6.250%
Term (Years)			30
Principal Amortization Installments			30
ISSUE SIZE			\$6,780,000
Tender Price of Prior Bonds			\$5,979,920
Capitalized Interest (Months)	3	(1)	\$92,551 (2)
Debt Service Reserve Fund	7.41%		\$502,106 (3)
Underwriter's Discount	1.50%		\$101,700
+ Premium / - Discount			\$63,724
Cost of Issuance			\$40,000
Rounding			\$0
ANNUAL ASSESSMENT			
Annual Debt Service (Principal plus Interest)			\$502,106
Collection Costs and Discounts @	8.00%		\$43,661
TOTAL ANNUAL ASSESSMENT			<u>\$545,767</u>
(1) Based on an August 1, 2004 dated date and capitalized through the November 1, 2004 interest payment date.			
(2) Net funded.			
(3) Based on maximum annual debt service.			

**PARKWAY CENTER
COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT REVENUE REFUNDING BONDS, SERIES 2004A
SPECIAL ASSESSMENT REVENUE REFUNDING BONDS, SERIES 2004B**

TABLE 3: FINANCING INFORMATION - SERIES 2004B SHORT TERM BONDS		
Coupon Rate		5.625%
Term (Years)		10
Principal Amortization Installments		1
ISSUE SIZE		\$15,830,000
Tender Price of Prior Bonds		\$14,755,590
Capitalized Interest (Months)	3 (1)	\$196,763 (2)
Debt Service Reserve Fund	2.81%	\$445,219 (3)
Underwriter's Discount	1.50%	\$237,450
+ Premium / - Discount		\$89,281
Cost of Issuance		\$105,000
Rounding		\$697
ANNUAL ASSESSMENT		
Annual Debt Service (Interest Only)		\$890,438
Collection Costs and Discounts @	0.00%	\$0
TOTAL ANNUAL ASSESSMENT		\$890,438
TOTAL ASSESSMENT DUE AT MATURITY		\$16,275,219
(1) Based on an August 1, 2004 dated date and capitalized through the November 1, 2004 interest payment date.		
(2) Net funded.		
(3) Six (6) month's interest on Series 2004B Bonds.		

**PARKWAY CENTER
COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT REVENUE REFUNDING BONDS, SERIES 2004A
SPECIAL ASSESSMENT REVENUE REFUNDING BONDS, SERIES 2004B**

TABLE 4: ALLOCATION METHODOLOGY - SERIES 2004A LONG TERM BONDS (1)

<u>PRODUCT</u>	<u>PER UNIT ERUs</u>	<u>TOTAL ERUs</u>	<u>% OF ERUs</u>	<u>UNITS</u>	<u>PRODUCT TYPE</u>		<u>PER UNIT</u>	
					<u>TOTAL PRINCIPAL</u>	<u>ANNUAL ASSMT. (2)</u>	<u>TOTAL PRINCIPAL</u>	<u>ANNUAL ASSMT. (2)</u>
Townhome	0.75	583.50	48.14%	778	\$3,264,134	\$262,752	\$4,196	\$338
Single Family 40'/45'	1.00	170.00	14.03%	170	\$950,990	\$76,551	\$5,594	\$450
Single Family 50'	1.25	317.50	26.20%	254	\$1,776,114	\$142,971	\$6,993	\$563
Single Family 60'	1.50	141.00	11.63%	94	\$788,762	\$63,493	\$8,391	\$675
TOTAL		<u>1,212.00</u>	<u>100.00%</u>	<u>1,296</u>	<u>\$6,780,000</u>	<u>\$545,767</u>		

(1) Allocation of total bond principal (i.e., assessment) based on equivalent residential units.

Individual principal and assessments calculated on a pro-rata basis.

(2) Includes principal, interest and collection costs.

TABLE 5: ALLOCATION METHODOLOGY - SERIES 2004B SHORT TERM BONDS (1)

<u>PRODUCT</u>	<u>PER UNIT ERUs</u>	<u>TOTAL ERUs</u>	<u>% OF ERUs</u>	<u>UNITS</u>	<u>PRODUCT TYPE</u>		<u>PER UNIT</u>	
					<u>TOTAL PRINCIPAL</u>	<u>ANNUAL ASSMT. (2)</u>	<u>TOTAL PRINCIPAL</u>	<u>ANNUAL ASSMT. (2)</u>
Townhome	0.75	583.50	48.14%	778	\$7,621,126	\$428,688	\$9,796	\$551
Single Family 40'/45'	1.00	170.00	14.03%	170	\$2,220,380	\$124,896	\$13,061	\$735
Single Family 50'	1.25	317.50	26.20%	254	\$4,146,885	\$233,262	\$16,326	\$918
Single Family 60'	1.50	141.00	11.63%	94	\$1,841,609	\$103,591	\$19,592	\$1,102
TOTAL		<u>1,212.00</u>	<u>100.00%</u>	<u>1,296</u>	<u>\$15,830,000</u>	<u>\$890,438</u>		

(1) Allocation of total bond principal (i.e., assessment) based on equivalent residential units.

Individual principal and assessments calculated on a pro-rata basis.

(2) Includes interest only.

**PARKWAY CENTER
COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT REVENUE REFUNDING BONDS, SERIES 2004A
SPECIAL ASSESSMENT REVENUE REFUNDING BONDS, SERIES 2004B**

FINAL ASSESSMENT ROLL *

<u>PROPERTY</u>	<u>TOTAL</u>	<u>% OF</u>	<u>SERIES 2004A</u>		<u>SERIES 2004B</u>		<u>COMBINED</u>	
	<u>ACRES</u>	<u>ACRES</u>	<u>ASSESSMENTS</u>	<u>ASSESSMENTS</u>	<u>ASSESSMENTS</u>	<u>ASSESSMENTS</u>	<u>ASSESSMENTS</u>	<u>ASSESSMENTS</u>
			<u>TOTAL</u>	<u>ANNUAL</u>	<u>TOTAL</u>	<u>ANNUAL</u>	<u>TOTAL</u>	<u>ANNUAL</u>
Area 1	90.00	45.16%	\$3,061,716	\$246,458	\$7,148,520	\$402,104	\$10,210,236	\$648,562
Area 2	41.70	20.92%	\$1,418,595	\$114,192	\$3,312,148	\$186,308	\$4,730,743	\$300,500
Area 3	31.20	15.65%	\$1,061,395	\$85,439	\$2,478,154	\$139,396	\$3,539,548	\$224,835
Area 4	24.00	12.04%	\$816,458	\$65,722	\$1,906,272	\$107,228	\$2,722,730	\$172,950
Area 6	12.40	6.22%	\$421,836	\$33,956	\$984,907	\$55,401	\$1,406,744	\$89,357
TOTAL	<u>199.30</u>	<u>100.00%</u>	<u>\$6,780,000</u>	<u>\$545,767</u>	<u>\$15,830,000</u>	<u>\$890,438</u>	<u>\$22,610,000</u>	<u>\$1,436,204</u>

*** NOTE:** Initial allocation will be on a per acre basis until lots are platted.

The District's assessments as provided herein are levied as identified on the Assessment Plat. The total acres provided above is an estimate. Upon becoming developable, lands such as the Eagle Lots area shall be assessed in accordance with the allocation methodology.

SERIES 2004A LONG TERM ASSESSMENTS

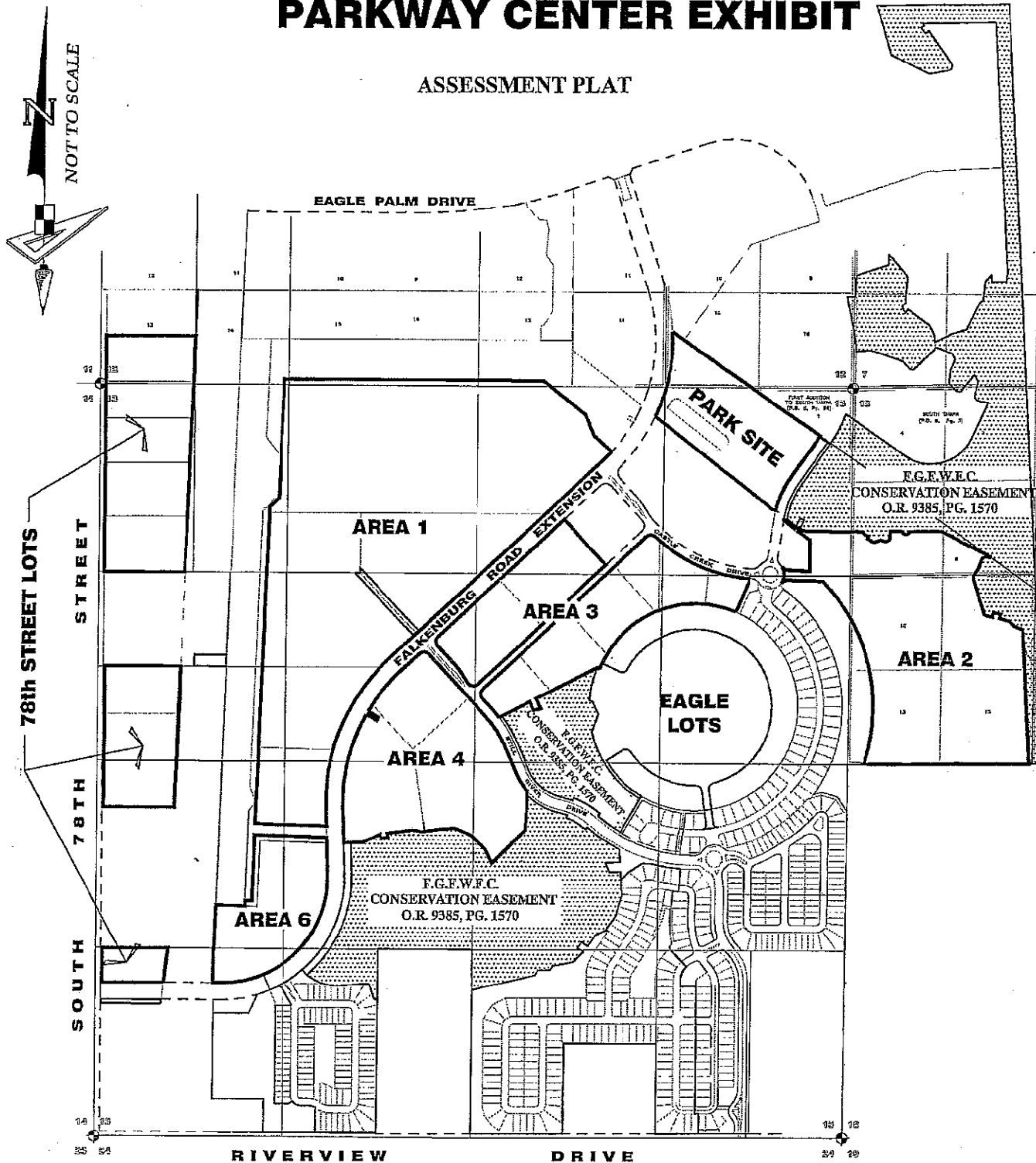
1. The total assessment represents the principal amount of the bonds only
2. The annual assessment is the amount necessary to repay the bonds including principal, interest, collection fees and early payment discounts
3. Repayment of principal and interest will be in 30 annual installments

SERIES 2004B SHORT TERM ASSESSMENTS

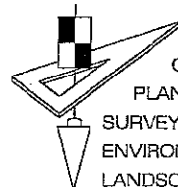
1. The total assessment represents the principal amount of the bonds only. That amount plus applicable interest is due and payable in full no later than May 1, 2014. However, it is expected that these bonds will be paid prior to maturity from pre-payments as lots are sold.
2. The annual assessment for each parcel represents interest only and will be payable semi-annually.

PARKWAY CENTER EXHIBIT

ASSESSMENT PLAT



PREPARED BY: **HEIDT & ASSOCIATES, Inc.**
Tampa ♦ Fort Myers



CIVIL ENGINEERING
PLANNING
SURVEYING
ENVIRONMENTAL PERMITTING
LANDSCAPE ARCHITECTURE

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A-6

APPENDIX E

INDEPENDENT AUDITOR'S REPORT AND GENERAL FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED SEPTEMBER 30, 2001

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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, 2001**

**PARKWAY CENTER COMMUNITY DEVELOPMENT DISTRICT
HILLSBOROUGH COUNTY, FLORIDA**

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	1
GENERAL-PURPOSE FINANCIAL STATEMENTS	
Balance Sheet - All Fund Types and Account Groups	2
Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types	3
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - All Governmental Fund Types	4-5
NOTES TO FINANCIAL STATEMENTS	6-11
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	12-13
MANAGEMENT LETTER PURSUANT TO THE RULES OF THE AUDITOR GENERAL FOR THE STATE OF FLORIDA	14-16



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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, 2001, 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 auditing standards generally accepted in the United States of America, 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, 2001, and the results of its operations for the fiscal year then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 3, the District defaulted on the Series 2000 A & B Bonds. This occurred when the November 1, 2001 payment came due. The District failed to invoice the Developer on each April 1 and October 1 (October 1, 2000, April 1, 2001, and October 1, 2001) for payments due on the unplatted lands. The Trustee withdrew a total of \$873,776 from the Debt Service Reserve funds in order to make the required debt service payment. The bondholders have initiated foreclosure proceedings against the Developer. The Developer has failed to make the required payments. On June 25, 2002, the District filed a foreclosure action against Parkway Residential Development, Inc. (Developer) and various affiliated and associated companies. In the Complaint, the District sought to foreclose its liens plus accrued interest penalties, costs and attorneys' fees in the amount of \$29,245,790. The general purpose financial statements do not include any adjustment relating to the amounts and classifications of liabilities that might be necessary if the District is not able to meet its financial obligations.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 3, 2002, on our consideration of the Parkway Center Community Development District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.


September 3, 2002

**PARKWAY CENTER COMMUNITY DEVELOPMENT DISTRICT
HILLSBOROUGH COUNTY, FLORIDA
BALANCE SHEET - ALL FUND TYPES
AND ACCOUNT GROUPS
SEPTEMBER 30, 2001
(With Comparative Totals for September 30, 2000)**

	<u>Governmental Fund Types</u>			<u>Account Groups</u>		<u>Total (Memorandum Only)</u>	
	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>General Fixed Assets</u>	<u>General Long- Term Debt</u>	<u>2001</u>	<u>2000</u>
ASSETS							
Cash	\$ 182	\$	\$	\$	\$	\$ 182	\$ 10,639
Investments	307	4,002,813	2,869,584			6,872,704	14,120,432
Accrued interest receivable		55,546	6,307			61,853	120,246
Due from developer	11,661					11,661	26,701
Assessment receivables		179,103				179,103	
Prepays	1,312					1,312	
Fixed assets				22,494,773		22,494,773	16,438,304
Amounts available in Debt of Service Fund					4,237,462	4,237,462	5,400,643
Amounts to be provided for Retirement of General Long-Term Debt					25,762,538	25,762,538	24,599,357
Total Assets	<u>\$ 13,462</u>	<u>\$ 4,237,462</u>	<u>\$ 2,875,891</u>	<u>\$ 22,494,773</u>	<u>\$ 30,000,000</u>	<u>\$ 59,621,588</u>	<u>\$ 60,716,322</u>
LIABILITIES							
Accounts payable	\$ 26,245	\$	\$	\$	\$	\$ 26,245	\$ 31,275
Contracts and Retainage payable			58,162			58,162	401,862
Bonds payable					30,000,000	30,000,000	30,000,000
Total Liabilities	<u>26,245</u>		<u>58,162</u>		<u>30,000,000</u>	<u>30,084,407</u>	<u>30,433,137</u>
FUND EQUITY							
Investment in general fixed assets				22,494,773		22,494,773	16,438,304
Fund Balance (Deficit):							
Reserved for prepaids	1,312					1,312	
Reserved for debt service		4,237,462				4,237,462	5,400,643
Reserved for capital projects			2,817,729			2,817,729	8,438,173
Unreserved (Deficit)	(14,095)					(14,095)	6,065
Total Fund Equity (Deficit)	<u>(12,783)</u>	<u>4,237,462</u>	<u>2,817,729</u>	<u>22,494,773</u>		<u>29,537,181</u>	<u>30,283,185</u>
Total Liabilities and Fund Equity	<u>\$ 13,462</u>	<u>\$ 4,237,462</u>	<u>\$ 2,875,891</u>	<u>\$ 22,494,773</u>	<u>\$ 30,000,000</u>	<u>\$ 59,621,588</u>	<u>\$ 60,716,322</u>

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, 2001
(With Comparative Totals for 2000)**

	General Fund	Debt Service Fund	Capital Projects Fund	Totals (Memorandum Only)	
				2001	2000
REVENUE					
Special assessments	\$	\$ 791,471		\$ 791,471	\$ 2,505,337
Developer contributions	83,511		182,305	265,816	613,822
Interest	54	453,862	253,720	707,636	434,514
Miscellaneous	<u>2,776</u>			<u>2,776</u>	<u>1,277</u>
Total Revenues	<u>86,341</u>	<u>1,245,333</u>	<u>436,025</u>	<u>1,767,699</u>	<u>3,554,950</u>
EXPENDITURES					
Current					
General government	91,311			91,311	103,277
Maintenance	13,878			13,878	18,109
Debt Service					
Principal retirement					15,165,000
Interest		2,408,514		2,408,514	1,289,025
Bond issue costs					597,006
Capital Outlay			6,056,469	6,056,469	3,763,967
Total Expenditures	<u>105,189</u>	<u>2,408,514</u>	<u>6,056,469</u>	<u>8,570,172</u>	<u>20,936,384</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(18,848)</u>	<u>(1,163,181)</u>	<u>(5,620,444)</u>	<u>(6,802,473)</u>	<u>(17,381,434)</u>
OTHER FINANCING SOURCES					
Proceeds of bonds					<u>29,552,938</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	(18,848)	(1,163,181)	(5,620,444)	(6,802,473)	12,171,504
FUND BALANCE - OCTOBER 1	<u>6,065</u>	<u>5,400,643</u>	<u>8,438,173</u>	<u>13,844,881</u>	<u>1,673,377</u>
FUND BALANCE (DEFICIT) SEPTEMBER 30, 2001	<u>\$ (12,783)</u>	<u>\$ 4,237,462</u>	<u>\$ 2,817,729</u>	<u>\$ 7,042,408</u>	<u>\$ 13,844,881</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, 2001**

	GENERAL FUND			DEBT SERVICE FUND			CAPITAL PROJECTS FUND		
			Variance			Variance			Variance
			Favorable			Favorable			Favorable
	<u>Budget</u>	<u>Actual</u>	<u>(Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>(Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>(Unfavorable)</u>
REVENUE									
Special assessments	\$	\$	\$	\$	\$ 791,471	\$ 791,471	\$	\$	\$
Developer contributions	204,231	83,511	(120,720)					182,305	182,305
Interest	100	54	(46)	265,845	453,862	188,017	200,344	253,720	53,376
Miscellaneous		<u>2,776</u>	<u>2,776</u>						
Total Revenues	<u>204,331</u>	<u>86,341</u>	<u>(117,990)</u>	<u>265,845</u>	<u>1,245,333</u>	<u>979,488</u>	<u>200,344</u>	<u>436,025</u>	<u>235,681</u>
EXPENDITURES									
Current									
General government	108,625	91,311	17,514						
Maintenance	95,506	13,878	81,628						
Debt Service									
Interest				2,408,514	2,408,514				
Capital outlay							<u>5,000,000</u>	<u>6,056,469</u>	<u>(1,056,469)</u>
Total Expenditures	<u>204,331</u>	<u>105,189</u>	<u>99,142</u>	<u>2,408,514</u>	<u>2,408,514</u>		<u>5,000,000</u>	<u>6,056,469</u>	<u>(1,056,469)</u>
EXCESS (DEFICIENCY) OF REVENUES									
OVER (UNDER) EXPENDITURES	<u>\$</u>	<u>(18,848)</u>	<u>\$ (18,848)</u>	<u>\$ (2,142,669)</u>	<u>(1,163,181)</u>	<u>\$ 979,488</u>	<u>\$ (4,799,656)</u>	<u>(5,620,444)</u>	<u>\$ (820,788)</u>
FUND BALANCE - OCTOBER 1		<u>6,065</u>			<u>5,400,643</u>			<u>8,438,173</u>	
FUND BALANCE (DEFICIT) - SEPTEMBER 30		<u>\$ (12,783)</u>			<u>\$ 4,237,462</u>			<u>\$ 2,817,729</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 Residential Development, 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 type 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)

Capital Projects Fund

Capital Projects Fund account for financial resources to be used for the acquisition or construction of major capital facilities.

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 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.

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, 2001, were 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 U.S. Governments and Agencies and cash management accounts investing in short term government obligations and are stated at cost which approximates fair 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.

New Pronouncements

The District intends to adopt Statement No. 34, *"Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments,"* for its fiscal year ending September 30, 2004. Management has not yet completed the process of evaluating the impact that will result from adopting these statements and is therefore unable to disclose the effect they will have on the District's financial position and results of operations.

NOTE 3 - FINANCIAL CONDITION OF DISTRICT

Subsequent to year end, the District defaulted on the Series 2000 A & B Bonds. This occurred when the November 1, 2001 payment came due. The District's primary source of revenue to make the debt service payments is pursuant to its assessment methodology for the 2000 Series Bonds. The District collects the non ad valorem special assessments using the Uniform Method of collection according to Chapter 197, F. S. The District levies and collects special assessments on both platted and unplatted land. The District failed to invoice the developer on each April 1 and October 1 (October 1, 2000, April 1, 2001, and October 1, 2001) for payments due on the unplatted lands. Subsequent to year end, the District has invoiced the Developer for amounts owed, however no payments have been made by the Developer. This amount has not been recorded on the financial statements as the collection of this amount appears unlikely at this time. As a result, on November 7, 2001 the Trustee informed the District that there were insufficient funds in the 2000 Interest account of the 2000 Debt Service Fund to make the November 1, 2001 payment due. The Trustee withdrew a total of \$873,776 from the Debt Service Reserve funds in order to make the required debt service payment.

NOTE 3 - FINANCIAL CONDITION OF DISTRICT (Continued)

The Board for the District informed the four bondholders of the default. In March of 2002 the bondholders decided to initiate foreclosure proceedings. The Board began working with a Chicago Title company to generate a foreclosure title commitment and drafting up foreclosure documents. The District has since run out of funds in the operating and maintenance accounts. The District is paying its routine maintenance and some construction requisitions out of the Construction account. However, before any invoice is paid, the Board and the four bondholders must approve the invoice first.

On May 1, 2002 the District again withdrew funds from the Debt Service Reserve fund to make the semi-annual Debt Service payment. The total amount of the deficiency in the Series 2000 Debt Service Reserve fund is approximately \$2,100,000 as of the date of the report.

On June 25, 2002, the District filed a foreclosure action against Parkway Residential Development, Inc. (Developer) and various affiliated and associated companies. In the Complaint, the District sought to foreclose its liens plus accrued interest penalties, costs and attorneys' fees in the amount of \$29,245,790.

NOTE 4 - CASH AND INVESTMENTS

Cash

The District's cash balances were entirely covered by federal depository insurance or by a collateral pool pledged to the State Treasurer. Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", all qualified depositories to deposit with the Treasurer or another banking institution eligible collateral equal to various percentages 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. Governmental 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.

Investments

The District has elected to proceed under the Alternative Investment Guidelines as set forth in Section 218.415 (17) 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 counter party or by its trust department or agent but not in the entities name.

The District records all interest revenue related to investment activities in the respective funds.

	CARRYING/ FAIR VALUE
Cash management accounts	\$ 4,104,517
U.S Government and agencies	2,768,187
	<u>\$ 6,872,704</u>

The cash management account investments are not categorized because they are not evidenced by securities that exist in physical or book entry form. The U.S. Government and Agencies investments are considered category 3 as the securities are held by the trustee or agent but not in the District's name.

NOTE 5 - GENERAL FIXED ASSETS

Changes in general fixed assets during the year are summarized below:

	<u>Land</u>	<u>Infrastructure Improvements</u>	<u>Office Equipment</u>	<u>Total</u>
Balance, September 30, 2000	\$ 4,401,367	\$12,036,233	\$ 704	\$16,438,304
Additions		6,056,469	0	6,056,469
Deletions		0	0	0
Balance, September 30, 2001	<u>\$ 4,401,367</u>	<u>\$18,092,702</u>	<u>\$ 704</u>	<u>\$ 22,494,773</u>

NOTE 6 - GENERAL LONG TERM DEBT

Special Assessment Revenue Bonds Series 2000

On May 1, 2000, the District issued \$30,000,000 of Special Assessment Revenue Bonds, Series 2000 consisting of \$3,405,000 Term Bonds Series 2000A due May 1, 2031, with a fixed interest rate of 8.25% and \$26,595,000 Series 2000B, due May 1, 2010, with a fixed interest rate of 8.00%. The bonds were issued to refund and redeem all the outstanding principal amount of the Special Assessment Refunding Revenue Bonds Series 1997 and to finance the cost of acquiring, constructing and equipping assessable improvements ("the 2000 Project"). Interest is paid semiannually on each May 1 and November 1, commencing November 1, 2000. Principal is paid serially on the Series 2000A commencing May 1, 2003 through May 1, 2031. Principal is paid with balloon payment on May 1, 2010 on the Series 2000B.

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, 2010 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 subsequent to year end, see Note 8 - Subsequent Event for call amount.

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 was met during the year ended September 30, 2001 but was not met subsequent to year end. See Note 3 - Financial Condition of District.

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 was not in compliance with the requirements of the Bond Indenture. See Note 3 - Financial Condition of District.

NOTE 6 - GENERAL LONG TERM DEBT (Continued)

Long-term Debt Transactions

The following is a summary of bond transactions for the fiscal year ended September 30, 2001:

	General Long-Term Debt <u>Account Group</u>
Balance, October 1, 2000	\$ 30,000,000
Additions	
Deletions	
Bond payable at September 30, 2001	<u>\$ 30,000,000</u>

At September 30, 2001, the scheduled debt service requirements on the Special Assessment Revenue Bonds Series 2000 were as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$	\$2,408,512	\$2,408,512
2003	30,000	2,408,512	2,438,512
2004	30,000	2,406,038	2,436,038
2005	35,000	2,403,562	2,438,562
2006	40,000	2,400,674	2,440,674
2007 through 2017	<u>29,865,000</u>	<u>13,094,498</u>	<u>42,959,498</u>
Total	<u>\$30,000,000</u>	<u>\$25,121,796</u>	<u>\$55,121,796</u>

NOTE 7 - DEVELOPER CONTRIBUTIONS

As explained in Note 3, the Developer has not funded assessments owed related to the Series 2000 Bonds. In addition, amounts owed by the Developer related to the funding of the General Fund operations of \$32,469 have not paid. This amount has not been recorded on the financial statements.

NOTE 8 - SUBSEQUENT EVENT

Subsequent to year end, the District called several extraordinary mandatory redemptions totaling \$2,185,000 on the Series 2000 Bonds.

NOTE 8 - MANAGEMENT COMPANY

The District has contracted with a management company to perform management advisory services, which include financial and accounting advisory services. Certain employees of the management company also serve as officers of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting, computer and other administrative costs. Subsequent to year end in February 2002, the Board gave the current Management company a termination notice and hired Rizetta & Company for management services.

NOTE 9 - 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.

**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, 2001, and have issued our report thereon dated September 3, 2002, which included an explanatory paragraph as the District defaulted on the Series 2000 A & B Bonds subsequent to year end and the Trustee withdrew a total of \$873,776 from the Debt Service Reserve funds in order to make the required debt service payment. Except as disclosed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the attached management letter as Financial Condition Assessment and Failure to timely bill the Developer.

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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement could adversely affect the District's ability to record, process, summarize and report financial data consistent with the assertions of management in the general-purpose financial statements. Reportable conditions are described in the attached management letter as Financial Condition Assessment and Failure to timely bill the Developer.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a 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.

David L. Gray, P.A.

September 3, 2002

**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, 2001, and have issued our report thereon dated September 3, 2002, which included an explanatory paragraph as the District defaulted on the Series 2000 A & B Bonds subsequent to year end and the Trustee withdrew a total of \$873,776 from the Debt Service Reserve funds in order to make the required debt service payment.

Except as disclosed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America 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)(g) 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 pages 15 and 16:

- 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 September 3, 2002 on pages 12 and 13.

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.



September 3, 2002

LETTER TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

Financial Condition Assessment and Failure to timely bill the Developer

Finding: Subsequent to year end, the District defaulted on the Series 2000 A & B Bonds. This occurred when the November 1, 2001 payment came due. The District's primary source of revenue to make the debt service payments is pursuant to its assessment methodology for the 2000 Series Bonds. The District collects the non ad valorem special assessments using the Uniform Method of collection according to Chapter 197, F. S. The District levies and collects special assessments on both platted and unplatted land. The District failed to invoice the developer on each April 1 and October 1 (October 1, 2000, April 1, 2001, and October 1, 2001) for payments due on the unplatted lands. Subsequent to year end, the District has invoiced the Developer for amounts owed, however no payments have been made by the Developer. As a result, on November 7, 2001 the Trustee informed the District that there were insufficient funds in the 2000 Interest account of the 2000 Debt Service Fund to make the November 1, 2001 payment due. The Trustee withdrew a total of \$873,776 from the Debt Service Reserve funds in order to make the required debt service payment.

Recommendation: The District should take the necessary steps to alleviate the deteriorating financial condition. The District should attempt to negotiate with the Developer as to the ultimate payment of assessments or should continue to take steps to foreclose on the Developer's property.

Management response: The District has filed foreclosure on all past due amounts. At the same time the District is continuing to negotiate with the developer and other potential developers.

II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

Budgets:

Finding: The District did not adopt a Debt Service Fund budget for the new bond issue. The District exceeded budgeted appropriations in the Series 1997 Debt Service Fund.

Recommendation: The District should adopt or amend budgets through out the year in order to exercise proper budgetary control over revenues and expenditures.

Management response: The District will adopt Debt Service Fund budgets in accordance with the auditor's recommendation for subsequent fiscal years. The District exceeded budgeted appropriations in the Debt Service Fund due to refunding of the Series 1997 Bonds. All expenditures incurred by the District related to the refinancing were in accordance with the Master Trust Indenture. However, the District will amend future budgets to reflect material changes in financial activities that occur during the Fiscal Year.

Current status: Recommendation has been implemented and shall not be repeated.

III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

1. There were no inaccuracies, shortages, defalcations, fraud, or violations of laws, rules, regulations, or contractual provisions reported in the previous annual financial audit, for the fiscal year ended September 30, 2000.
2. See II above for prior year recommendations.
3. The financial report with the Department of Banking and Finance pursuant to Section 218.32(1)(a), Florida Statutes has not been prepared as of the date of this report.
4. The District was not technically in a state of financial emergency as a consequence of conditions described in section 218.503(1), Florida Statutes. However, subsequent to year end, as described in Note 3 to the financial statements the District is experiencing financial difficulties as a result of the non payment of assessments owed by the Developer.
5. The current year recommendation is shown under I above.
6. There were no violation of laws, rules, regulations and contractual provisions that have occurred, or are likely to have occurred and were discovered within the scope of the audit, except as disclosed above.
7. There were no illegal or improper expenditures discovered within the scope of the audit that may or may not materially affect the general-purpose financial statements.
8. There were no matters requiring correction that may or may not materially affect the general purpose financial statements, except as disclosed above. (Improper or inadequate accounting procedures, failure to properly record financial transactions or other inaccuracies, shortages, defalcations, or instances of fraud)
9. The District complied with Section 218.415, Florida Statutes, regarding the investment of public funds.
10. 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.
11. We applied financial condition assessment procedures pursuant to Rule 10.556 (8) and determined that due to the events outlined in Note 3 to the financial statements a deteriorating financial condition was noted. See I above for recommendation related to financial condition. It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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