

Indigo East
Community Development District

Agenda

September 6, 2022

AGENDA

Indigo East

Community Development District

219 East Livingston Street, Orlando, Florida 32801

Phone: 407-841-5524 – Fax: 407-839-1526

August 30, 2022

Board of Supervisors
Indigo East Community
Development District

The Board of Supervisors of the Indigo East Community Development District will meet on **Tuesday, September 6, 2022 at 10:00 a.m., or as shortly thereafter as reasonably possible at the Circle Square Commons, Cultural Center, 8395 SW 80th Street, Ocala, Florida 34481.** Following is the advance agenda for the meeting:

- I. Roll Call
- II. Public Comment Period
- III. Notice for Meeting
- IV. Approval of Minutes of the August 16, 2022 Meeting
- V. Financing Matters
 - A. Consideration of Resolution 2022-06 Bond Delegation Resolution
 1. Supplemental Trust Indenture
 2. Form of Bond Purchase Contract
 3. Form of Preliminary Official Statement
 4. Form of Continuing Disclosure Agreement
- VI. Staff Reports
 - A. Attorney
 - B. District Manager
- VII. Other Business
- VIII. Supervisors Requests
- IX. Adjournment

The second order of business is the Public Comment Period where the public has an opportunity to be heard on propositions coming before the Board as reflected on the agenda, and any other items.

Enclosed under the third order of business is the affidavit of publication associated with the public notice for this meeting.

The fourth order of business is the approval of the minutes from the August 16, 2022 Board of Supervisors meeting. The minutes are enclosed for your review.

The fifth order of business is financing matters. Section A is the consideration of resolution 2022-06, bond delegation resolution. A copy of the resolution is enclosed for your review. Subsections 1-4 consist of the forms of various financing documents attached as exhibits to Resolution 2022-06. The exhibits are enclosed for your review.

The balance of the agenda will be discussed at the meeting. In the meantime, if you have any questions, please contact me.

Sincerely,

George Flint

George S. Flint
District Manager

Cc: Gerald Colen, District Counsel
Ken Colen, On Top of the World
Guy Woolbright, On Top of the World
Darrin Mossing, GMS

MINUTES

MINUTES OF MEETING
INDIGO EAST
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Indigo East Community Development District was held on Tuesday, August 16, 2022 at 9:00 a.m. at Circle Square Commons, 8395 SW 80th Street, Ocala, FL.

Present and constituting a quorum were:

John Gysen	Chairman
Bob Hutson	Vice Chairman
Terry Solan	Assistant Secretary
Harold Brouillard	Assistant Secretary
Cynthia LaFrance	Assistant Secretary

Also present were:

George Flint	District Manager
Gerald Colen	District Counsel
Bob Gang	Greenberg Traurig

FIRST ORDER OF BUSINESS

Roll Call

Mr. Flint called the meeting to order. Five members of the Board were present at the meeting, constituting a quorum.

SECOND ORDER OF BUSINESS

Public Comment Period

Mr. Flint: Next is public comment period. This would be an opportunity for any members of the public to provide comment on anything on the agenda or not on the agenda that you would like to bring to the Board's attention. If you do have comments, if you would step forward and state your name and address. Try to limit your comments to three minutes. We do have a public hearing for adoption of the budget, so if you have comments related to the budget or the assessments it would be appropriate for you to hold those until the public hearing. Are there any public comments? Hearing none,

THIRD ORDER OF BUSINESS

Notice for Meeting

Mr. Flint: The notice of the meeting was in your agenda. It was advertised 21 and 14 days in advance of today in the Ocala Star Banner.

FOURTH ORDER OF BUSINESS

Approval of Minutes of the May 17, 2022 Meeting

Mr. Flint: The next item is approval of the May 17, 2022 meeting minutes. Did the Board have any comments or corrections to the minutes for May?

On MOTION by Ms. LaFrance, seconded by Mr. Hutson, with all in favor, the Minutes of the May 17, 2022 Meeting, were approved as presented.
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FIFTH ORDER OF BUSINESS

Public Hearing

Mr. Flint: Next is the public hearing to consider adoption of the Fiscal Year 2023 budget and imposition of assessments related to the budget. Is there a motion to open the public hearing?

On MOTION by Mr. Solan, seconded by Mr. Gysen, with all in favor, Opening the Public Hearing, was approved.

A. Consideration of Resolution 2022-04 Adopting the Fiscal Year 2023 Budget and Relating to the Annual Appropriations

Mr. Flint: Resolution 2022-04 adopts the Fiscal Year 2023 budget. The second item is Resolution 2022-05 imposing the assessments related to the budget. This is a public hearing, are there any public comments? Hearing none, we will close the public comment section and bring it back to the Board. Resolution 2022-04 has as Exhibit 'A' attached to it the budget for next year, which starts on October 1st. It's substantially the same as what you saw when you approved the proposed budget. We have updated the actuals through the end of June. It contemplates the per unit assessment amount would remain the same at \$447 a year. We are using about \$33,000 carried forward to balance the budget, but we are ending each year with excess revenue. At this point, we don't believe that an increase would be needed for Fiscal Year 2023. We would want to look at it

again going into Fiscal Year 2024. Were there any questions on the budget itself? If not, is there a motion to approve Resolution 2022-04?

Ms. LaFrance: I will make a motion to approve.

On MOTION by Ms. LaFrance, seconded by Mr. Solan, with all in favor, Resolution 2022-04 Adopting the Fiscal Year 2023 Budget and Relating to the Annual Appropriations, was approved.

B. Consideration of Resolution 2022-05 Imposing Special Assessments and Certifying an Assessment Roll

Mr. Flint: Resolution 2022-05 imposes the assessments related to the budget you just adopted. There are two exhibits, one is the budget and the other is the assessment roll which lists the individual properties that are subject to the assessment and the per unit assessment amounts. Are there any questions on the resolution? Is there a motion to approve Resolution 2022-05?

Mr. Gysen: I will make a motion to approve it.

On MOTION by Mr. Gysen, seconded by Mr. Hutson, with all in favor, Resolution 2022-05 Imposing Special Assessments and Certifying an Assessment Roll, was approved.

Mr. Flint: Is there a motion to close the public hearing?

Mr. Gysen: I will make a motion to close the public hearing.

On MOTION by Mr. Gysen, seconded by Mr. Solan, with all in favor, Closing the Public Hearing, was approved.

SIXTH ORDER OF BUSINESS

Financing Matters

A. Appointment of Financing Team

i. Bond Counsel – Greenberg Traurig

Mr. Flint: The Board previously entered in to an interlocal agreement with the Bay Laurel Center CCD to be able to refinance their Series 2011 bonds on a tax-exempt basis. That agreement held the Indigo East CDD harmless and indicated that all costs associated with the refinancing would be borne by the Bay Laurel Center CDD. As part of that refinancing process, you need to retain bond counsel and you also need to retain an underwriter. This item will be approved both

by Indigo East and Bay Laurel because Indigo East is the issuer even though you're not paying for the cost of this, you still need to approve the engagement. The first one is for bond counsel, which is Greenberg Traurig, Bob Gang. Greenberg Traurig either Bob Gang or Fred Harris have been the bond counsel since 2005/2006. Their main role is to review the deal, prepare the indentures, the delegation resolution, and render an opinion as to the tax-exempt status of the bonds. Do we have anyone from Greenberg on the phone?

Mr. Gang: This is Bob Gang; I am on the phone.

Mr. Flint: Hi Bob. Anything you want to add?

Mr. Gang: Just that it is entirely contingent on a successful refunding sale. If rates go up and the bonds can't be sold, then we just stay in limbo until they can be. There is no liability on Indigo East's part.

Mr. Flint: Any questions from the Board on the engagement letter for bond counsel? Is there a motion to approve it?

Mr. Solan: I will move to approve it.

On MOTION by Mr. Solan, seconded by Ms. LaFrance, with all in favor, Appointing Bond Counsel as Greenberg Traurig, was approved.

ii. Underwriter – Jeffries/FMS Bonds

Mr. Flint: This is Jeffries and FMS Bonds have partnered as the underwriting team for this District. The Bay Laurel Center CDD issued an RFP for underwriting services. Jeffries and FMS teamed up and responded to that and were selected. They handled the new money bond issue for Bay Laurel, approximately \$135,000,000. They are submitting an engagement letter to handle the refunding of the Series 2011 bonds. Mike Baldwin is on the phone. Mike, anything you want to add? They have submitted an engagement letter and they are required to make certain disclosures under the MSRP rules. This services their G17 disclosure and also the terms of their engagement. They are only paid if the bonds are refinanced. They are paid a percentage of the par amount of the bonds. There is no obligation or liability on the behalf of Indigo. They only get paid if it actually gets issued and they get paid out of the proceeds of the bonds. Any costs associated would be lost. Any questions on the engagement letter?

Ms. LaFrance: Yes, I have one. I don't see anywhere in here where it says Bay Laurel will be responsible for the compensation.

Mr. Flint: Right. The interlocal covers that between Indigo and Bay Laurel. If you want to make it as part of the motion, you can do that as well. The interlocal covers Indigo as far as any exposure that you all will have.

Ms. LaFrance: Ok. I just noticed that Greenberg was in theirs. It was on the first page. Indigo East will have no liability. I just feel more comfortable if it was in there.

Mr. Flint: Okay. If you want to make a motion to approve it subject to inclusion of the language that would clarify that Indigo was not responsible for any costs associated with the underwriting.

On MOTION by Ms. LaFrance, seconded by Mr. Hutson, with all in favor, Appointing Underwriter as Jeffries/FMS Bonds subject to Inclusion of the Language that would Clarify that Indigo East was Not Responsible for Any Costs Associated with the Underwriting, was approved.

B. Discussion of Financing Timeline

Mr. Flint: We've provided a draft of the financing timeline. We are hoping that the Bond Delegation Resolution would be in shape for both Indigo and Bay Laurel to consider approval on September 6th. I know Indigo does not have a meeting scheduled for September 6th and Bay Laurel does. I think we would want both Boards to approve the Delegation Resolution. The reason I wanted to put the timeline on here is to generate a discussion about the need for a meeting on September 6th. I don't know if the Board is available. If so, we would like to request that you schedule a special meeting for September 6th in conjunction with the Bay Laurel meeting. Of course, the cost of the notice and the Board attendance for that special meeting would be borne by Bay Laurel. Is the Board available on the 6th?

Ms. LaFrance: Yes.

Mr. Solan: Yes.

Mr. Gysen: Yes, I am.

Mr. Brouillard: Yes.

Mr. Hutson: Yes.

Mr. Flint: Is there a motion then to set a special meeting on September 6th at 10:00 a.m. in this location?

Mr. Brouillard: I will make that motion.

On MOTION by Mr. Brouillard, seconded by Ms. LaFrance, with all in favor, Authorizing a Special Meeting on September 6, 2022 at 10:00 a.m. in the Current Location, was approved.

SEVENTH ORDER OF BUSINESS

Ratification of Temporary Access Easement Agreement with Maeoper Slayback

Mr. Flint: We had a homeowner that wanted to remove a tree on the back of the property. They went through all of the necessary approval processes to remove the tree, but in order to access their backyard to remove the tree, they requested authority to go across CDD property to access it. This temporary access easement allowed the homeowner to cross our property. It's got a restoration clause in here and protections for the District in the event that there are any issues or any damage to the property. The Chairman signed this, and I am asking the Board to ratify the temporary easement agreement.

On MOTION by Ms. LaFrance, seconded by Mr. Brouillard, with all in favor, the Temporary Access Easement Agreement with Maeoper Slayback, was ratified.

EIGHTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. Colen: I have no updates for the Board.

B. District Manager

1. Approval of Check Register

Mr. Flint: I will note on the check register, I did receive a call from Ms. LaFrance regarding the invoices for Colen & Wagoner and wanted to note that the invoice that is reflected on this check register has actually been refunded. The billing on this invoice included prior meetings that had already been paid. When I contacted our accounting department, the check has already been issued and mailed to the District to refund this invoice. There were some questions about whether

any of these expenses were related to the refinancing to make sure that Indigo is not bearing any of those costs. I did go back and review all the invoices prior to this one and the reason for the elevated cost is related to the clean-up of the ownership of the various tracts within Indigo that required some additional work from counsel, but none of those expenses were related to the refinancing. Were there any other questions on the check register? If not, is there a motion to approve?

Mr. Solan: I will make a motion.

On MOTION by Mr. Solan, seconded by Mr. Gysen, with all in favor, the Check Register, was approved.

2. Balance Sheet and Income Statement

Mr. Flint: You also have the unaudited financials through June 30th. If there are any questions, we can discuss those. We are just under 100% collected on the assessments. Once the tax certificate sales take place and we receive those distributions, we should be over 100% on that. Our administrative expenses are higher than our prorated and a lot of that has to do with the legal expenses. That line item will be adjusted once that check is received and deposited. That number is going to come back down, and we should come back in line with our budget overall. Any questions on the financials? Hearing none,

3. Approval of Fiscal Year 2023 Meeting Schedule

Mr. Flint: Each year your required to approve an annual meeting schedule. Historically, you've met four times a year in this location in November, February, May, and August. The notice indicates August 22. I think that should be August 15, which is the third Tuesday in August. If the Board wants to be consistent with meeting on the third Tuesday, we will change that to August 15th. If you want to, we can add the September 6th meeting to this notice and then take care of it without having to do another notice. Any questions or comments on the annual meeting notice? If not, is there a motion to approve it with the addition of September 6th and the changing August to August 15th?

Mr. Hutson: I will make a motion.

On MOTION by Mr. Hutson, seconded by Ms. LaFrance, with all in favor, Accepting the Fiscal Year 2023 Meeting Schedule Including an Additional September 6, 2022 meeting and Changing the August 22, 2023 meeting to August 15, 2023, was approved.

NINTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

TENTH ORDER OF BUSINESS

Supervisors Request

Mr. Flint: Are there any Supervisor requests?

Mr. Solan: Starting at 8th Street going south on both sides of the road the viburnum hedges that are some over 12 or 15 feet high now. It really looks awfully shabby. Some of the trees have really thickened there and there is a lot of dead branches up underneath. It just looks messy.

Mr. Flint: 8th Street going south on?

Mr. Solan: 79 Terrace Road, the main road.

Mr. Flint: Okay, I believe that is the master association that maintains that area alone on the main road there, but I will get with them.

Mr. Solan: The guys come on and trim the sides and never bother with the tops and every year they get higher. There are some crepe myrtles that are growing in with them and it just looks like it is unkept.

Mr. Flint: That area on the perimeter of Indigo East on the main road is master association.

Mr. Solan: It's kind of all the way down through that a section and right down to the clubhouse. All of those viburnums have been let go and they are growing up into the trees. It just looks sloppy.

Mr. Flint: Okay, I will follow up with them on that and find out who is responsible.

Mr. Gysen: Also, the Island at 80th Terrace, they forget it sometimes. You may bring them back to their attention.

Mr. Flint: Alright. Anything else?

Ms. LaFrance: The gate on 80th Avenue in Indigo, the green fencing, the gate in it is down and it goes to the retention pond that is in between 80th Terrace and 79th Circle. The fence behind it. I think that is where the mowers access. The gate is completely down, laying on the ground. It

was down a couple of weeks ago and I checked again yesterday, and it is still down. They haven't fixed it.

Mr. Flint: Between 80th Terrace and 79th Circle?

Ms. LaFrance: Yes, it's that retention pond. It's the fence behind it.

Mr. Flint: Okay. Anything else? You can always also bring anything to my attention in the interim between meetings and I'm happy to try to facilitate and address as well.

Ms. LaFrance: Okay.

Mr. Flint: I know there has been some other concerns by Mr. Hutson regarding the landscaping and some items that we're working with a contractor to try to address.

Mr. Solan: I will make those comments, their crews spend an awful lot of time standing around. They park their truck and they stand there. You make an errand and then come back and an hour later, they are still just standing there. I am thinking what we are paying for. They are not highly motivated.

Mr. Flint: Yes, it's a tough business.

Mr. Solan: I know it's hot, but at 10:00 a.m. it's not that hot.

Mr. Flint: Right. Any other Supervisors request? Yes, Mr. Brouillard.

Mr. Brouillard: Newspaper in order to advertise these meetings. I know at least on 81st loop, most likely 80% of the houses don't get the daily newspaper. So how are we notifying these people other than that newspaper?

Mr. Flint: The legal obligation is to run a notice in a newspaper general circulation at least 7 days in advance. We are also required to post it on our website. Historically, we have not gone beyond that because if you go beyond your legal obligations, you may set a precedent. Then, if we start putting it on a bulletin board or we start doing things beyond what we're legally required to do if for some reason we don't keep doing that we may give someone an argument that we didn't properly notice the meetings.

Mr. Colen: Yes, I have always been concerned over many years, that we follow what the law says we have to do. George is correct when we go outside that, we create an obligation that we may not even know we've created. I would urge the Board to follow exactly what the law says we are supposed to do. Even though I'm well aware that there may be people who claim, rightfully, that they didn't get notice, but we have to follow what the law says.

Mr. Brouillard: What about the monthly On Top of the World paper that comes out?

Mr. Colen: A newspaper is a newspaper. I'm simply saying once you go outside what the law tells you to do, you can open the door to obligations you don't even know you're going to have at the time. My advice is always you follow what the law says and then you don't have any concerns that you have overreached in some way.

Ms. LaFrance: Agreed.

Mr. Flint: Any other comments or corrections from the Board?

ELEVENTH ORDER OF BUSINESS

Adjournment

The meeting was adjourned.

On MOTION by Ms. LaFrance, seconded by Mr. Hutson, with all in favor, the meeting was adjourned.
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Secretary / Assistant Secretary

Chairman / Vice Chairman

SECTION V

SECTION A

RESOLUTION NO. 2022 – 06

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE INDIGO EAST COMMUNITY DEVELOPMENT DISTRICT (THE “DISTRICT”) AUTHORIZING AND APPROVING THE ISSUANCE AND SALE OF INDIGO EAST COMMUNITY DEVELOPMENT DISTRICT (MARION COUNTY, FLORIDA) WATER AND SEWER REVENUE REFUNDING BONDS, SERIES 2022A IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$30,000,000 (THE “SERIES 2022A BONDS”); PROVIDING FOR A BOOK-ENTRY SYSTEM WITH RESPECT TO THE SERIES 2022A BONDS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A SERIES 2022A SUPPLEMENTAL TRUST INDENTURE TO THE TRUST INDENTURE, DATED AS OF OCTOBER 1, 2011 BETWEEN THE BAY LAUREL CENTER COMMUNITY DEVELOPMENT DISTRICT AND U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, AS TRUSTEE, SECURING THE SERIES 2022A BONDS; DETERMINING THE NEED FOR AND APPROVING THE NEGOTIATED SALE OF THE SERIES 2022A BONDS AND PROVIDING FOR A DELEGATED AWARD OF SUCH SERIES 2022A BONDS; APPOINTING UNDERWRITERS AS THE INITIAL PURCHASERS OF THE SERIES 2022A BONDS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE CONTRACT WITH RESPECT TO THE SERIES 2022A BONDS SUBJECT TO THE PARAMETERS SET FORTH HEREIN; APPROVING THE FORM OF A PRELIMINARY OFFICIAL STATEMENT FOR THE SERIES 2022A BONDS AND AUTHORIZING THE DISTRIBUTION AND USE THEREOF BY THE UNDERWRITERS IN CONNECTION WITH THE OFFERING OF THE SERIES 2022A BONDS FOR SALE; APPROVING THE EXECUTION AND DELIVERY OF A FINAL OFFICIAL STATEMENT; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE AGREEMENT; DELEGATING AUTHORITY TO THE BAY LAUREL CENTER COMMUNITY DEVELOPMENT DISTRICT TO DETERMINE WHETHER TO UTILIZE MUNICIPAL BOND INSURANCE FOR THE SERIES 2022A BONDS; AUTHORIZING CERTAIN OFFICIALS AND EMPLOYEES OF THE DISTRICT TO TAKE ALL ACTIONS REQUIRED AND EXECUTE AND DELIVER ALL DOCUMENTS, INSTRUMENTS, AND CERTIFICATES NECESSARY IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF SAID SERIES 2022A BONDS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Indigo East Community Development District (the “District”) is a local unit of special-purpose government organized and existing in accordance with the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the “Act”), created by Ordinance No. 02-26 duly enacted by the Board of County Commissioners (the “County Commission”) of Marion County, Florida (the “County”) on November 5, 2002, and effective on November 12, 2002; and

WHEREAS, Bay Laurel Center Community Development District (“Bay Laurel Center CDD”) is also a local unit of special-purpose government organized and existing in accordance with the Act, created by Ordinance No. 02-11 duly enacted by the County, enacted on May 7, 2002, and effective May 17, 2002, as amended by County Ordinance No. 04-10 enacted on May 4, 2004; and

WHEREAS, the Bay Laurel Center CDD was created for the purpose of delivering certain community development services and facilities within and outside of its jurisdiction; and

WHEREAS, the Bay Laurel Center CDD has entered into that certain Interlocal Agreement with Marion County, Florida, dated as of May 4, 2004, as amended and restated as of July 19, 2016, as amended by that certain First Amendment to Amended and Restated Interlocal Agreement, dated as of March 1, 2022, and as may be further amended (the “Marion County Interlocal Agreement”), under the terms of which the District provides Utility Services and Utility Systems to residents of Marion County outside of the Bay Laurel District within the OTOW Utility Service Area as more particularly described in the Marion County Interlocal Agreement (the “County Service Area”); and

WHEREAS, the Bay Laurel Center CDD has entered into that certain Interlocal Agreement with the Candler Hills East Community Development District (the “Candler CDD”), dated as of April 7, 2003 (the “Candler Interlocal Agreement”), under the terms of which the District operates and manages the Utilities System within the Candler CDD, as more particularly described in the Candler Interlocal Agreement (the “Candler Service Area”); and

WHEREAS, the Bay Laurel Center CDD has entered into that certain Interlocal Agreement with the Indigo East CDD, dated as of April 7, 2003 (the “Indigo Interlocal Agreement”), under the terms of which the Bay Laurel Center CDD operates and manages the Utilities System within the District, as more particularly described in the Indigo Interlocal Agreement (the “Indigo Service Area, and, together with the County Service Area and the Candler Service Area, the “External Service Area”); and

WHEREAS, pursuant to that certain Water and Sewer System and Reuse Water System Sublease/Option to Purchase Agreement by and among the Bay Laurel Center CDD, On Top of the World Communities, Inc. and Sidney Colen & Associates, Ltd. dated as of October 12, 2010, the Bay Laurel Center CDD, pursuant to Resolution No. 2010-14 adopted July 13, 2010 exercised its option to acquire, enlarge, extend, improve, operate and maintain certain potable water supply and treatment facilities (the “Water System”), wastewater treatment and disposal facilities (the “Wastewater System”), reuse water facilities (the “Reuse System”) and various transmission, distribution and collection system facilities and ancillary facilities related thereto (together with the Water System, Wastewater System and Reuse System, the “Utilities System”) to provide water, sewer and reuse water services to the Bay Laurel Center CDD and the External Service Area (collectively, the “Project”); and

WHEREAS, the Bay Laurel Center CDD has heretofore issued \$38,970,000 aggregate principal amount of its Bay Laurel Center Community Development District (Marion County, Florida) Water and Sewer Revenue Bonds, Series 2011 (the “Series 2011 Bonds”), to finance portions of the Project pursuant to Resolution No. 2009-07 dated July 21, 2009 and Resolution

No. 2011-02 dated November 9, 2010, as amended by Resolution No. 2011-15 dated August 31, 2011, which issuance was validated by judgment of the Circuit Court for Marion County entered on September 8, 2010, from which no appeal was taken; and

WHEREAS, the Series 2011 Bonds were issued pursuant to that certain Trust Indenture, dated as of October 1, 2011 (the “Bay Laurel Trust Indenture”) between the District and U.S. Bank Trust Company, National Association (successor to U.S. Bank National Association), as trustee (the “Trustee”); and

WHEREAS, \$29,465,000 in aggregate principal amount of Series 2011 Bonds are currently outstanding (such Series 2011 Bonds outstanding are hereinafter sometimes called the “Refunded Bonds”); and

WHEREAS, on May 26, 2022 the Bay Laurel Center CDD issued \$124,900,000 aggregate principal amount of Taxable Water and Sewer Revenue Bonds, Series 2022B for the purpose of constructing and acquiring improvements to the Utilities System, pursuant to the Bay Laurel Trust Indenture, as supplemented by a Series 2022B Supplemental Trust Indenture; and

WHEREAS, the issuance of such Taxable Series 2022B Bonds was validated by judgment of the Circuit Court for Marion County entered on November 8, 2021, from which no appeal was taken; and

WHEREAS, subsequent to the issuance of the Series 2011 Bonds on a tax-exempt basis by the Bay Laurel Center CDD, the Internal Revenue Service determined that community development districts without a sufficient number of residents who are qualified electors, such as the Bay Laurel Center CDD, may not issue municipal bonds, the interest on which is excludable from gross income for Federal income tax purposes; and

WHEREAS, the Bay Laurel Center CDD, whose Board of Supervisors is elected by landowners rather than residents who are qualified electors, has determined that refunding the Series 2011 Bonds on a taxable basis is not cost effective, and has therefore requested that the District, whose Board of Supervisors (the “Board”) is elected by residents who are qualified electors, issue tax-exempt Indigo East Community Development District (Marion County, Florida) Water and Sewer Revenue Refunding Bonds, Series 2022A (the “Series 2022A Bonds”), the interest on which would be excludable from gross income for Federal income tax purposes, in order to refund the Series 2011 Bonds on a current basis; and

WHEREAS, the District wishes to refund \$29,465,000 aggregate principal amount of Bay Laurel Center CDD’s Series 2011 Bonds (the “Refunded Bonds”); and

WHEREAS, to induce the District to undertake the issuance of the Series 2022A Bonds on behalf of the Bay Laurel Center CDD, the Bay Laurel Center CDD and the District have entered into that certain Interlocal Agreement dated May 17, 2022 (the “Refunding Interlocal Agreement”) to ensure that the District can issue its Series 2022A Bonds to refund the Refunded Bonds on behalf of the Bay Laurel Center CDD, and secure their payment under the Bay Laurel Trust Indenture, as supplemented by the Series 2022A Supplemental Indenture, and that all costs, fees, liabilities and risks associated with the issuance of such refunding bonds are assumed and fully covered by the Bay Laurel Center CDD; and

WHEREAS, on May 17, 2022, the Board adopted Resolution No. 2022-03 authorizing the issuance of the Series 2022A Bonds in a principal amount not exceeding \$35,000,000, which issuance was validated by judgment of the Circuit Court for Marion County entered on August 8, 2022, for which the appeal period is scheduled to expire on September 7, 2022; and

WHEREAS, such Series 2022A Bonds will be secured under the Bay Laurel Trust Indenture, as supplemented by the Series 2022A Supplemental Indenture, to the extent and as though they were issued by the Bay Laurel Center CDD; and

WHEREAS, the District wishes to authorize and approve the issuance of the Series 2022A Bonds, in an amount not to exceed \$30,000,000, the proceeds of which, together with other legally available funds held under the Bay Laurel Trust Indenture, will be used to, among other things, refund the Refunded Bonds, as more specifically described in a Series 2022A Supplemental Indenture, the form of which is attached hereto (the “Series 2022A Supplemental Indenture”); and

WHEREAS, authority is conferred upon the Indigo East CDD by the Constitution and laws of the State of Florida, specifically the Act, and the Refunding Interlocal Agreement, to issue the Series 2022A Bonds; and

WHEREAS, it is expected that on September 6, 2022, the Bay Laurel CDD Board of Supervisors will approve the issuance and securing of not to exceed \$30,000,000 aggregate principal amount of the Series 2022A Bonds pursuant to Resolution No. 2022-15, the Refunding Interlocal Agreement and a Series 2022A Supplemental Indenture; and

WHEREAS, the Board has received a proposal from Jefferies LLC and FMSbonds, Inc. (collectively, the “Underwriters”) in the form of a Purchase Contract to be entered into by and among the District, the Bay Laurel CDD and the Underwriters (the “Bond Purchase Contract”) for the purchase of the Series 2022A Bonds on the terms and within the parameters specified herein and the Board has determined that acceptance of such proposal and the sale of the Series 2022A Bonds to the Underwriters is in the best interests of the District and the Bay Laurel CDD for the reasons hereafter indicated; and

WHEREAS, if deemed to be in the best interest of the Bay Laurel CDD, payments represented by all or a portion of the Series 2022A Bonds authorized hereunder may be insured by a bond insurance policy and a reserve fund insurance policy (collectively, the “Policy”) to be issued by a municipal bond insurance company (the “Insurer”) approved by the Chairperson of the Board of Supervisors of the Bay Laurel CDD; and

WHEREAS, there has been submitted to this meeting and the Board, with respect to the issuance and sale of the Series 2022A Bonds, forms of:

- (i) a Series 2022A Supplemental Trust Indenture by and among the District, the Bay Laurel CDD and the Trustee, attached hereto as **Exhibit A**;
- (ii) a Bond Purchase Contract by and among the District, the Bay Laurel CDD and the Underwriters together with the form of a disclosure statement attached thereto pursuant to Section 218.385, Florida Statutes, attached hereto as **Exhibit B**;

- (iii) a Preliminary Official Statement attached hereto as **Exhibit C** (the “Preliminary Official Statement”);
- (iv) a form of Rule 15c2-12 Certificate relating to the Preliminary Official Statement, attached hereto as **Exhibit D**; and
- (v) a Continuing Disclosure Agreement between the District and the dissemination agent named therein (the “Dissemination Agent”), attached hereto as **Exhibit E**;

WHEREAS, the District desires to authorize and approve various instruments to be executed and delivered in connection with the Series 2022A Bonds; and

WHEREAS, authority is conferred upon the District by the Constitution and laws of the State of Florida, specifically pursuant to Section 190.014 of the Act, and the Refunding Interlocal Agreement, to issue the Series 2022A Bonds.

NOW, THEREFORE, BE IT RESOLVED by the Board of the District as follows:

Section 1. Authorization of Issuance of Series 2022A Bonds. Pursuant to the Refunding Interlocal Agreement there are hereby authorized and directed to be issued by the District on behalf of the Bay Laurel CDD, the Series 2022A Bonds in an aggregate principal amount not to exceed \$30,000,000, which together with other legally available funds of the Bay Laurel Center CDD, shall be used for the purposes of (i) making a deposit into the Series 2011 Bond Redemption Fund to refund and retire all of the Refunded Bonds and (ii) making a deposit into the Series 2022A Cost of Issuance Account to pay certain costs associated with the issuance of the Series 2022A Bonds, which may include a bond insurance premium and a premium for the reserve fund insurance policy. The Series 2022A Bonds shall be issued under and secured by the Bay Laurel Trust Indenture, the form of which by reference is hereby incorporated into this Resolution as if set forth in full herein, as supplemented by the Series 2022A Supplemental Indenture.

Section 2. Details of the Series 2022A Bonds. The District hereby determines that the Series 2022A Bonds shall mature in the amounts and at the times, shall bear interest at the rates, be redeemable at the redemption prices and in the manner as determined by the Chairperson of the Board (the “Chairperson”) or any member of the Board designated by the Chairperson (a “Designated Member”), prior to the sale of said Series 2022A Bonds, all in a manner consistent with the requirements of the Refunding Interlocal Agreement and the Series 2022A Supplemental Indenture and within the parameters set forth in Section 6 hereof.

Section 3. Series 2022A Supplemental Indenture. The District hereby approves and authorizes the execution of the Series 2022A Supplemental Indenture by the Chairperson or any Designated Member and the Secretary or any Assistant Secretary of the Board (the “Secretary”) and the delivery of the Series 2022A Supplemental Indenture in substantially the form thereof attached as **Exhibit A** hereto, with such changes therein as shall be approved by the Chairperson or Designated Member executing the same, with such execution to constitute conclusive evidence of such officer’s approval and the District’s approval of any changes therein from the form of Series 2022A Supplemental Indenture attached hereto.

Section 5. Negotiated Sale. The Series 2022A Bonds shall be sold by a negotiated sale to the Underwriters. It is hereby determined by the District that a negotiated sale of the Series 2022A Bonds to the Underwriters will best effectuate the purposes of the Act, is in the best interests of the District and the Bay Laurel CDD and is necessitated by, in general, the characteristics of the issue and prevailing market conditions and specifically, the following additional reasons:

(i) because of the complexity of the financing structure of the Series 2022A Bonds, including the issuance of the Series 2022A Bonds by the District on behalf of the Bay Laurel CDD, the nature of the Pledged Revenues under the Bay Laurel Trust Indenture as security for the Series 2022A Bonds, and the structure and location of the Utilities System and the number of Interlocal Agreements, it is desirable to sell the Series 2022A Bonds pursuant to a negotiated sale so as to have underwriters involved from the outset of the financing to assist in these matters;

(ii) because of changing market conditions for tax-exempt utility revenue bonds and the necessity of being able to adjust the terms of the Series 2022A Bonds, and determine whether the purchase of municipal bond insurance is in the best interests of the District and the Bay Laurel CDD, it is desirable to sell the Series 2022A Bonds by a negotiated sale;

(iii) the Underwriters have participated in structuring the issuance of the Series 2022A Bonds and can assist the District and the Bay Laurel CDD in attempting to obtain the most attractive financing for the District and the Bay Laurel CDD; and

(iv) neither the District nor the Bay Laurel CDD will be adversely affected if the Series 2022A Bonds are not sold pursuant to a competitive sale.

Section 6. Bond Purchase Contract. The District hereby approves the form of the Bond Purchase Contract submitted by the Underwriters and attached as **Exhibit B** hereto, and the sale of the Series 2022A Bonds by the District on behalf of the Bay Laurel CDD upon the terms and conditions set forth in the Bond Purchase Contract is hereby approved. The Chairperson or a Designated Member is hereby authorized, acting individually, to execute the Bond Purchase Contract and to deliver the Bond Purchase Contract to the parties thereto. The Bond Purchase Contract shall be in substantially the form of the Bond Purchase Contract attached as **Exhibit B** hereto with such changes, amendments, modifications, omissions and additions as may be approved by the Chairperson or the Designated Member; provided, however:

(i) The Series 2022A Bonds shall be subject to optional redemption no later than September 1, 2032, at a redemption price equal to 100% of their par value, plus accrued interest to the redemption date;

(ii) The interest rate on the Series 2022A Bonds shall not exceed an average net interest cost rate, which shall be computed by adding 300 basis points to the The Bond Buyer “20 Bond Index” published immediately preceding the first day of the calendar month in which the Series 2022A Bonds are sold, as provided in Section 215.84(3), Florida Statutes, as amended; provided, however, that such limit shall not apply if the Series 2022A

Bonds are rated in any one of the three highest classifications by a nationally recognized rating service;

(iii) The aggregate principal amount of the Series 2022A Bonds shall not exceed \$30,000,000;

(iv) The Series 2022A Bonds shall have a final maturity not later than September 1, 2041;

(v) The price at which the Series 2022A Bonds shall be sold to the Underwriters shall not be less than 99.4% of the aggregate face amount of the Series 2022A Bonds, exclusive of original issue discount;

(vi) The issuance of the Series 2022A Bonds shall not result in an increase in debt service in any Fiscal Year of the District compared to the debt service on the Refunded Bonds; and

(vii) The net present value savings as a result of the refunding of the Refunded Bonds shall not be less than 3%.

Execution by the Chairperson or a Designated Member of the Bond Purchase Contract shall be deemed to be conclusive evidence of approval of such changes.

Section 7. Preliminary Official Statement; Final Official Statement. The District hereby approves the form of the Preliminary Official Statement submitted to this meeting and attached as **Exhibit D** hereto and authorizes its distribution and use in connection with the public offering for sale of the Series 2022A Bonds. The preparation of a final Official Statement relating to the Series 2022A Bonds (the “Official Statement”) is hereby approved and the Chairperson or any Designated Member is hereby authorized to execute such final Official Statement to be dated the date of the award of the Series 2022A Bonds and, upon such award, to deliver the same to the Bay Laurel CDD and the Underwriters for use by them in connection with the sale and distribution of the Series 2022A Bonds. The Official Statement shall be substantially in the form of the Preliminary Official Statement attached as **Exhibit D** hereto, with such changes as shall be approved by the Chairperson or Designated Member as necessary to conform the details of the Series 2022A Bonds and such other insertions, modifications and changes as may be approved by the Chairperson or Designated Member, including the addition of municipal bond insurance. The execution and delivery of the Official Statement by the Chairperson or Designated Member shall constitute evidence of the approval thereof. The District hereby authorizes the use of the Official Statement and the information contained therein in connection with the offering and sale of the Series 2022A Bonds. The Chairperson is further authorized to deem the Preliminary Official Statement “final” within the meaning of Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934 (“Rule 15(c)2-12”), in the form as mailed, and in furtherance thereof to execute the Rule 15c2-12 Certificate evidencing the same substantially in the form attached as **Exhibit E** hereto.

Section 8. Continuing Disclosure. The District hereby authorizes and approves the execution and delivery of the Continuing Disclosure Agreement by and among the District, the Bay Laurel CDD and the Dissemination Agent. Execution of the Continuing Disclosure

Agreement by the Chairperson or a Designated Member substantially in the form presented to this meeting and attached as **Exhibit F** hereto, with such changes therein as shall be approved by the Chairperson or Designated Member executing the same, shall constitute conclusive evidence of such officer's approval and the District's approval of any changes therein from the form of Continuing Disclosure Agreement attached hereto. The Continuing Disclosure Agreement is being executed by the District in order to assist the Underwriters in complying with Rule 15c2-12.

Section 9. Application of Bond Proceeds. The proceeds of the Series 2022A Bonds shall be applied in the manner required in the Series 2022A Supplemental Indenture.

Section 10. Municipal Bond Insurance. Upon approval of an Insurer, if any, by the Bay Laurel CDD, the Chairperson, the Secretary and any Designated Member are each hereby authorized to take such actions (including, without limitation, approval of changes to the documents herein approved) and to execute such commitments, agreements, certificates, instruments and opinions as shall be necessary or desirable to procure the issuance of the Policy by the Insurer.

Section 11. Further Official Action; Ratification of Prior and Subsequent Acts. The Chairperson, the Secretary and each member of the Board of Supervisors of the District and any other proper official of the District are each hereby authorized and directed to execute and deliver any and all documents and instruments (including, without limitation, any documents required by the Trustee to evidence its rights and obligations with respect to the Series 2022A Bonds, any documents required in connection with implementation of a book-entry system of registration, any agreements for the issuance of a municipal bond insurance policy and a reserve fund insurance policy if deemed to be in the best interest of the District, any agreement with a verification agent, and to do and cause to be done any and all acts and things necessary or desirable for carrying out the transactions contemplated by this Resolution, the Refunding Interlocal Agreement and the Series 2022A Supplemental Indenture. In the event that the Chairperson or the Secretary is unable to execute and deliver the documents herein contemplated, such documents shall be executed and delivered by the respective designee of such officer or official or any other duly authorized officer or official of the District. The Secretary or any Assistant Secretary is hereby authorized and directed to apply and attest the official seal of the District to any agreement or instrument authorized or approved herein that requires such a seal and attestation. The Chairperson or any Designated Member may, among other things, change the date of any document accompanying this Resolution as an exhibit, or the series designation of the Series 2022A Bonds in the event of a delay in the issuance of the Series 2022A Bonds. Execution by the Chairperson or a Designated Member of such document shall be deemed to be conclusive evidence of approval of such change of date or series designation. All of the acts and doings of such members of the Board, the officers of the District, and the agents and employees of the District, which are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, shall be and are hereby ratified, confirmed and approved.

Section 12. Severability. If any section, paragraph, clause or provision of this Resolution shall be held to be invalid or ineffective for any reason, the remainder of this Resolution shall continue in full force and effect, it being expressly hereby found and declared that the remainder of this Resolution would have been adopted despite the invalidity or ineffectiveness of such section, paragraph, clause or provision.

Section 13. Inconsistent Proceedings. All resolutions or proceedings, or parts thereof, in conflict with the provisions hereof are to the extent of such conflict hereby repealed or amended to the extent of such inconsistency.

Section 14. Ratification of Prior Acts. All actions previously taken by or on behalf of the District in connection with the issuance of the Series 2022A Bonds are hereby authorized, ratified and confirmed.

Section 15. Public Meetings. It is hereby found and determined that all formal actions of the District concerning and relating to the adoption of this Resolution and the consummation of the transactions contemplated by this Resolution were adopted in open meetings of the District, and that all deliberations of the District that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements.

Section 16. Effective Date. This Resolution shall take effect immediately upon its adoption

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

PASSED in Public Session of the Board of Supervisors of Indigo East Community Development District, this 6th day of September, 2022.

**INDIGO EAST COMMUNITY
DEVELOPMENT DISTRICT**

Attest:

Secretary

Chairperson, Board of Supervisors

EXHIBIT A
SERIES 2022A SUPPLEMENTAL INDENTURE

EXHIBIT B
BOND PURCHASE CONTRACT

EXHIBIT C

PRELIMINARY OFFICIAL STATEMENT

EXHIBIT D

FORM OF 15c2-12 CERTIFICATE

Indigo East Community Development District (Marion County, Florida)
\$ _____ * Water and Sewer Revenue Refunding Bonds, Series 2022A

The undersigned hereby certifies to Jefferies LLC and FMSbonds, Inc. (the “Underwriters”) that he is the Chairperson of the Board of Supervisors of **INDIGO EAST COMMUNITY DEVELOPMENT DISTRICT** (the “District”) and is authorized to execute and deliver this certificate, and further certifies on behalf of the District as follows:

1. This certificate is delivered to enable the Underwriters to comply with Rule 15c2-12 under the Securities Exchange Act of 1934 (the “Rule”) in connection with the offering and sale by Indigo East Community Development District (the “District”) of its \$ _____ * Water and Sewer Revenue Refunding Bonds, Series 2022A (the “Bonds”).

2. In connection with the offering and sale of the Bonds, there has been prepared a Preliminary Official Statement dated [____], 2022, setting forth information concerning the Bonds, the Bay Laurel Center Community Development District and the District (the “Preliminary Official Statement”).

3. As used herein, “Permitted Omissions” shall mean the offering price, interest rate, selling compensation, delivery dates, ratings, the identity of the Underwriters and other terms of the Bonds depending on such matters.

4. The undersigned hereby deems the Preliminary Official Statement “final” as of its date, within the meaning of the Rule, except for Permitted Omissions, and the information therein is accurate and complete except for the Permitted Omissions.

1. If, at any time prior to the execution of a Bond Purchase Contract, any event occurs as a result of which the Preliminary Official Statement might include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the District will promptly notify the Underwriters thereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand and affixed the seal of the District as of the [__] day of [____], 2022.

* Preliminary, subject to change.

**INDIGO EAST COMMUNITY
DEVELOPMENT DISTRICT**

By: _____
Name: _____

Title: Chairperson, Board of Supervisors

EXHIBIT E
CONTINUING DISCLOSURE AGREEMENT

SECTION 1

SERIES 2022A SUPPLEMENTAL TRUST INDENTURE

BY AND AMONG

BAY LAUREL CENTER COMMUNITY DEVELOPMENT DISTRICT

AND

INDIGO EAST COMMUNITY DEVELOPMENT DISTRICT

AND

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION
(successor in interest to U.S. Bank National Association),
As Trustee**

Dated as of September 1, 2022

AUTHORIZING AND SECURING

**INDIGO EAST COMMUNITY DEVELOPMENT DISTRICT
(MARION COUNTY, FLORIDA)
WATER AND SEWER REVENUE REFUNDING BONDS,
SERIES 2022A**

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STATEMENT OF INSURANCE

APPENDIX A – FORM OF SERIES 2022A BOND

THIS SERIES 2022A SUPPLEMENTAL TRUST INDENTURE, dated as of September 1, 2022 (this “Series 2022A Supplemental Trust Indenture”) is by and among BAY LAUREL CENTER COMMUNITY DEVELOPMENT DISTRICT (the “District”), a local unit of special purpose government organized and existing under the laws of the State of Florida, INDIGO EAST COMMUNITY DEVELOPMENT DISTRICT, a local unit of special purpose government organized and existing under the laws of the State of Florida (the “Issuer” or the “Indigo East CDD”) and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States of America and having corporate trust offices in Fort Lauderdale, Florida (said national banking association and any bank or trust company becoming successor trustee under this Series 2022A Supplemental Trust Indenture being hereinafter referred to as the “Trustee”).

W I T N E S S E T H:

WHEREAS, the District is a local unit of special purpose government duly organized and existing under the provisions of the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the “Act”), created by Ordinance No. 02-11 duly enacted by the Board of County Commissioners (the “County Commission”) of Marion County, Florida (the “County”), on May 7, 2002 and effective on May 17, 2002, as amended by County Ordinance No. 04-10 duly enacted on May 4, 2004, for the purpose, among other things, of financing and managing the acquisition and construction, maintenance, and operation of the major infrastructure within and without the boundaries of the premises to be governed by the District; and

WHEREAS, Indigo East CDD is a local unit of special-purpose government organized and existing in accordance with the Act, created by Ordinance No. 02-26 duly enacted by the County Commission, on November 5, 2002 and effective on November 12, 2002; and

WHEREAS, the District has entered into that certain Interlocal Agreement with Marion County, Florida, dated as of May 4, 2004, as amended and restated as of July 19, 2016, as amended by that certain First Amendment to Amended and Restated Interlocal Agreement, dated as of March 1, 2022, and as may be further amended (the “Marion County Interlocal Agreement”), under the terms of which the District provides Utility Services and Utility Systems to residents of Marion County in areas outside of the District within the OTOW Utility Service Area as more particularly described in the Marion County Interlocal Agreement (the “County Service Area”); and

WHEREAS, the District has entered into that certain Interlocal Agreement with the Candler Hills East Community Development District (the “Candler CDD”), dated as of April 7, 2003 (the “Candler Interlocal Agreement”), under the terms of which the District operates and manages the Utilities System within the Candler CDD, as more particularly described in the Candler Interlocal Agreement (the “Candler Service Area”); and

WHEREAS, the District has entered into that certain Interlocal Agreement with the Indigo East CDD, dated as of April 7, 2003 (the “Indigo Interlocal Agreement”), under the terms of which the District operates and manages the Utilities System within the Indigo East CDD, as more particularly described in the Indigo Interlocal Agreement (the “Indigo Service Area”, and, together with the County Service Area and the Candler Service Area, the “External Service Area”); and

WHEREAS, pursuant to that certain Water and Sewer System and Reuse Water System Sublease/Option to Purchase Agreement by and among the District, On Top of the World Communities, LLC and Sidney Colen & Associates, Ltd. dated as of October 12, 2010, the District, pursuant to Resolution No. 2010-14 adopted July 13, 2010 exercised its option to acquire, enlarge, extend, improve, operate and maintain certain potable water supply and treatment facilities (the “Water System”), wastewater treatment and disposal facilities (the “Wastewater System”), reuse water facilities (the “Reuse System”) and various transmission, distribution and collection system facilities and ancillary facilities related thereto (together with the Water System, Wastewater System and Reuse System, the “Utilities System”) to provide water, sewer and reuse water services to the District and the External Service Area (collectively, the “Project”); and

WHEREAS, on October 12, 2011 the District issued \$38,970,000 aggregate principal amount of its Bay Laurel Center Community Development District (Marion County, Florida) Water and Sewer Revenue Bonds, Series 2011 (the “Series 2011 Bonds”), pursuant to Resolution No. 2009-07 dated July 21, 2009 and Resolution No. 2011-02 dated November 9, 2010, as amended by Resolution No. 2011-15 dated August 31, 2011, which issuance was validated by judgment of the Circuit Court for Marion County entered on September 7, 2010 from which no appeal was taken; and

WHEREAS, the Series 2011 Bonds were issued pursuant to that certain Trust Indenture, dated as of October 1, 2011 (the “Trust Indenture”) between the District and U.S. Bank Trust Company, National Association (successor to U.S. Bank National Association), as Trustee, as tax-exempt bonds; and

WHEREAS, \$29,465,000 in aggregate principal amount of Series 2011 Bonds are currently outstanding (such Series 2011 Bonds outstanding are hereinafter sometimes called the “Refunded Bonds”); and

WHEREAS, on May 26, 2022, the District issued \$124,900,000 aggregate principal amount of Taxable Water and Sewer Revenue Bonds, Series 2022B (the “Taxable Series 2022B Bonds”) for the purpose of constructing and acquiring improvements to the Utilities System, pursuant to the Trust Indenture, as supplemented by a Series 2022B Supplemental Trust Indenture dated as of May 1, 2022, between the District and the Trustee; and

WHEREAS, subsequent to the issuance of the Series 2011 Bonds on a tax-exempt basis by the District, the Internal Revenue Service determined that community development districts without a sufficient number of residents who are qualified electors, such as the District, may not issue municipal bonds, the interest on which is excludable from gross income for Federal income tax purposes; and

WHEREAS, the District, whose Board of Supervisors is elected by landowners rather than residents who are qualified electors, has determined that refunding the Series 2011 Bonds on a taxable basis is not cost effective, and has therefore requested that the Indigo East CDD, whose Board of Supervisors is elected by residents who are qualified electors, issue tax-exempt refunding bonds, the interest on which will be excludable from gross income for Federal income tax purposes, in order to refund the Series 2011 Bonds on a current basis; and

WHEREAS, to induce the Indigo East CDD to undertake the issuance of refunding bonds on behalf of the District, the District and the Indigo East CDD entered into that certain Interlocal Agreement dated May 17, 2022 (the “Refunding Interlocal Agreement”) to ensure that the Indigo East CDD can issue its Indigo East Community Development District (Marion County, Florida) Water and Sewer Revenue Refunding Bonds, Series 2022A (the “Series 2022A Bonds”) to refund all of the outstanding Series 2011 Bonds on behalf of the District, and secure their payment under the Trust Indenture, as supplemented by this Series 2022A Supplemental Trust Indenture, and that all costs, fees, liabilities and risks associated with the issuance of such Series 2022A Bonds are assumed and fully covered by the District; and

WHEREAS, on May 17, 2022, pursuant to the Refunding Interlocal Agreement, the Board of Supervisors of the Indigo East CDD adopted its Resolution No. 22-03 authorizing the issuance of the Series 2022A Bonds in a principal amount not exceeding \$35,000,000, which issuance was validated by judgment of the Circuit Court for Marion County entered on August 8, 2022, from which no appeal was taken; and

WHEREAS, pursuant to Resolution No. 2022-06 adopted by the Board of Supervisors of the Issuer on September 6, 2022 (the “Indigo East Delegation Resolution”) and the Refunding Interlocal Agreement, the Issuer has determined to issue not to exceed \$30,000,000 aggregate principal amount of the Series 2022A Bonds; and

WHEREAS, pursuant to Resolution No. 2022-15 adopted by the Board of Supervisors of the District on September 6, 2022 (the “Bay Laurel Delegation Resolution” and, together with the Indigo East Delegation Resolution, the “Delegation Resolution”) the District has determined to secure the Series 2022A Bonds pursuant to the Trust Indenture and this Series 2022A Supplemental Trust Indenture (the “Series 2022A Indenture”); and

WHEREAS, this Series 2022A Supplemental Trust Indenture shall constitute a “Supplemental Indenture” as defined in the Trust Indenture; and

WHEREAS, in the manner provided herein, the proceeds of the Series 2022A Bonds will be used, together with other legally available funds of the District held under the Trust Indenture, for the purposes of (i) refunding and retiring all of the Refunded Bonds and (ii) paying the costs of issuance of the Series 2022A Bonds, including the premiums for the Series 2022A Credit Facility and the Series 2022A Debt Service Reserve Insurance Policy; and

WHEREAS, the Series 2022A Bonds constitute Additional Bonds pursuant to Sections 2.13 and 3.02 of the Trust Indenture and will be secured by a pledge of the Pledged Revenues and the moneys on deposit in the Funds and Accounts (except for the Operating Fund and Operation Reserve Fund and certain moneys transferred from the Surplus Fund to the Rebate Fund) established and created under the Trust Indenture, on the same basis as the Taxable Series 2022B Bonds and the Refunded Bonds; and

WHEREAS, all terms used herein and not otherwise defined shall have the meaning given thereto in the Trust Indenture;

NOW, THEREFORE, THIS SERIES 2022A SUPPLEMENTAL TRUST INDENTURE WITNESSETH.

ARTICLE I DEFINITIONS

In this Series 2022A Supplemental Trust Indenture capitalized terms used without definition shall have the meanings ascribed thereto in the Trust Indenture and, in addition to certain terms defined in the recitals above, the following terms shall have the meanings specified below, unless otherwise expressly provided or unless the context otherwise requires:

“Debt Service Reserve Requirement” shall have the definition set forth in Section 6.9 of this Series 2022A Supplemental Trust Indenture.

“Series 2011 Bond Redemption Fund” shall mean the Fund so designated, established as a separate Fund pursuant to Section 8.04 of the Trust Indenture and Section 4.3 hereof.

“Series 2022A Costs of Issuance Account” shall mean the Account so designated, established as a separate Account pursuant to Section 5.01 of the Trust Indenture and Section 4.1 hereof.

“Series 2022A Credit Facility” shall mean the insurance policy issued by the Series 2022A Credit Facility Issuer guaranteeing the scheduled payment of principal of and interest on the Series 2022A Bonds when due.

“Series 2022A Credit Facility Issuer” shall mean Assured Guaranty Municipal Corp., a New York stock insurance company, or any successor thereto or assignee thereof.

“Series 2022A Debt Service Reserve Account” shall mean the Account so designated within the Debt Service Reserve Fund, pursuant to Section 4.4 hereof, into which the Series 2022A Debt Service Reserve Insurance Policy shall be deposited in satisfaction of the Debt Service Reserve Requirement for the Series 2022A Bonds.

“Series 2022A Debt Service Reserve Insurance Policy” shall mean the insurance policy issued by the Series 2022A Credit Facility Issuer to fund the Debt Service Reserve Requirement for the Series 2022A Bonds.

“Series 2022A Sinking Fund Subaccount” shall mean the subaccount so designated, established as a separate subaccount within the Sinking Fund Account of the Debt Service Fund, pursuant to Section 6.04 of the Trust Indenture and Section 4.2 hereof for the purchase or redemption of Series 2022A Bonds.

“Underwriters” shall mean Jefferies LLC, as senior managing underwriter, on behalf of itself and FMSbonds, Inc., the underwriters of the Series 2022A Bonds.

[END OF ARTICLE I]

ARTICLE II THE SERIES 2022A BONDS

Section 2.1 Amounts and Terms of Series 2022A Bonds; Issue of Series 2022A Bonds. No Series 2022A Bonds may be issued under this Series 2022A Supplemental Trust Indenture except in accordance with the provisions of this Article and Articles II and III of the Trust Indenture.

(a) The total principal amount of Series 2022A Bonds that may be issued under this Series 2022A Supplemental Trust Indenture is expressly limited to \$[PAR]. The Series 2022A Bonds shall be numbered consecutively from AR-1 and upwards.

(b) Any and all Series 2022A Bonds shall be issued substantially in the form attached hereto as Exhibit A, with such appropriate variations, omissions and insertions as are permitted or required by the Trust Indenture and with such additional changes as may be necessary or appropriate to conform to the provisions of the Delegation Resolution and the Refunding Interlocal Agreement. The Issuer shall issue the Series 2022A Bonds upon execution of this Series 2022A Supplemental Trust Indenture by the Issuer, the District and the Trustee, and satisfaction of the requirements of Section 3.02(a) and (c) of the Trust Indenture; and the Trustee shall, at the Issuer's request, authenticate such Series 2022A Bonds and deliver them as specified in the request.

Section 2.2 Execution. The Series 2022A Bonds shall be executed by the Issuer as set forth in the Trust Indenture.

Section 2.3 Authentication. The Series 2022A Bonds shall be authenticated as set forth in the Trust Indenture. No Series 2022A Bond shall be valid until the certificate of authentication shall have been duly executed by the Trustee, as provided in the Trust Indenture.

Section 2.4 Purpose, Designation and Denominations of, and Interest Accruals on, the Series 2022A Bonds.

(a) The Series 2022A Bonds are being issued hereunder in order to provide funds, together with other legally available funds of the District held under the Trust Indenture, for the purposes of (i) refunding and retiring all of the Refunded Bonds and (ii) paying the costs of issuance of the Series 2022A Bonds, including the premiums for the Series 2022A Credit Facility and the Series 2022A Debt Service Reserve Insurance Policy. The Series 2022A Bonds shall be designated "Indigo East Community Development District (Marion County, Florida) Water and Sewer Revenue Refunding Bonds, Series 2022A," and shall be issued as fully registered Bonds without coupons in Authorized Denominations.

(b) The Series 2022A Bonds shall be dated as of the date of initial delivery. Interest on the Series 2022A Bonds shall be payable on each Interest Payment Date to maturity or prior redemption. Interest on the Series 2022A Bonds shall be payable from the most recent Interest Payment Date next preceding the date of authentication thereof to which interest has been paid, unless the date of authentication thereof is a March 1 or September 1 to which interest has been paid, in which case from such date of authentication, or unless the date of authentication thereof is prior to March 1, 2023, in which case from the date of initial delivery or unless the date

of authentication thereof is between a Record Date and the next succeeding Interest Payment Date, in which case from such Interest Payment Date.

Section 2.5 Debt Service on the Series 2022A Bonds.

(a) The Series 2022A Bonds will mature on September 1 in the years and in the principal amounts, and bear interest at the rates as set forth below, subject to the right of prior redemption in accordance with their terms.

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
	\$	%

*Term Bond

(b) Interest on the Series 2022A Bonds will be computed in all cases on the basis of a 360-day year of twelve 30-day months. Interest on overdue principal and, to the extent lawful, on overdue interest will be payable at the numerical rate of interest borne by the Series 2022A Bonds on the day before the default occurred.

Section 2.6 Disposition of Bond Proceeds and Other Legally Available Funds. From the net proceeds of the Series 2022A Bonds received by the Trustee in the amount of \$[_____] (par amount of \$[PAR], less original issue [premium] of \$[_____] and less an underwriter's discount of \$[_____] which is retained by the Underwriters of the Series 2022A Bonds and less \$[_____] representing the premiums payable by the Underwriters directly to Assured Guaranty Municipal Corp., for providing the Series 2022A Debt Service Reserve Insurance Policy and the Series 2022A Credit Facility), together with \$1,168,850.00 of other legally available funds of the District transferred from the Debt Service Reserve Fund under the Trust Indenture:

(a) \$[_____] shall be deposited in the Series 2011 Bond Redemption Fund and held uninvested until used to redeem the Series 2011 Bonds in whole on [September 29], 2022;

(b) \$[_____] shall be deposited into the Series 2022A Costs of Issuance Account of the Project Fund for payment of the costs of issuing the Series 2022A Bonds.

Section 2.7 Conditions Precedent to Issuance of the Series 2022A Bonds. In addition to complying with applicable requirements set forth in Section 2.13 of the Trust Indenture in connection with the issuance of any Bonds, the Series 2022A Bonds shall be executed by the Issuer for delivery to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the Underwriters, but only upon the further receipt by the Trustee of:

(a) A certificate of the District Manager pursuant to Section 3.02(a) of the Trust Indenture certifying with respect to the District, that it is current in all deposits or credits to the various Funds and Accounts established by the Trust Indenture and all payments heretofore

required to have been deposited or credited by it under the provisions of the Trust Indenture have been deposited or credited and that no Event of Default has occurred and is continuing;

(b) A certificate of the District Manager pursuant to Section 3.02(c) of the Trust Indenture that the issuance of the Series 2022A Bonds shall not result in an increase in the aggregate amount of principal and interest on the Outstanding Bonds becoming due in the current Fiscal Year and each subsequent Fiscal Year thereafter;

(c) A written opinion of Bond Counsel to the effect that the issuance of the Series 2022A Bonds will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Refunded Bonds; and

(d) Execution and delivery by the Issuer to the Trustee of an Arbitrage Rebate Agreement.

Section 2.8 Qualification for Depository Trust Company; Book Entry Form of Series 2022A Bonds. The Series 2022A Bonds shall be issued pursuant to the book-entry-only system maintained by DTC, as provided in Section 2.11 of the Trust Indenture.

[END OF ARTICLE II]

ARTICLE III
REDEMPTION OF SERIES 2022A BONDS

Section 3.1 Redemption Dates and Prices. The Series 2022A Bonds shall be subject to redemption at the times and in the manner provided in Article VIII of the Trust Indenture and in this Article III.

Section 3.2 Extraordinary Mandatory Redemption from Insurance or Condemnation Proceeds. In the event that insurance or condemnation proceeds received pursuant to Section 11.09 of the Trust Indenture, together with any available moneys of the District, are insufficient, as evidenced by a certificate of the Consulting Engineer provided to the Trustee, to repair, replace or restore the damaged, destroyed or condemned Utilities System, or any portion thereof, and the District has no other funds available therefor, the Issuer at the direction of the District shall, subject to Section 5.2(f) herein, apply such insurance or condemnation proceeds to the extraordinary mandatory redemption of Bonds, including the Series 2022A Bonds, to the extent of such funds, at a Redemption Price of par plus accrued interest to the date of redemption.

Section 3.3 Series 2022A Bonds Redemption Provisions.

(a) Optional Redemption. The Series 2022A Bonds maturing on or after September 1, 2032 may, at the option of the District on behalf of the Issuer, be called for redemption by the Issuer prior to maturity in whole at any time, or in part on any Interest Payment Date, on or after September 1, 2032 (less than all Series 2022A Bonds to be selected by lot), at a Redemption Price equal to the principal amount of Series 2022A Bonds to be redeemed, plus accrued interest from the most recent Interest Payment Date to the redemption date.

(b) Mandatory Sinking Fund Redemption. The Series 2022A Bonds maturing on September 1, 20[___] are subject to mandatory redemption in part by the Issuer by lot prior to their scheduled maturity from moneys in the Series 2022A Sinking Fund Subaccount established hereunder in satisfaction of applicable Sinking Fund Installments, at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption, on September 1 of the years and in the principal amounts set forth below:

<u>Year</u>	<u>Sinking Fund Installment</u>	<u>Year</u>	<u>Sinking Fund Installment</u>
	\$	*	\$

* Maturity.

Upon any redemption of Series 2022A Bonds other than in accordance with scheduled Sinking Fund Installments or upon any purchase of Series 2022A Bonds which are presented to the Trustee for cancellation, the District on behalf of the Issuer shall cause to be recalculated and delivered to the Trustee revised Sinking Fund Installments recalculated so as to amortize the Outstanding principal amount of Series 2022A Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the

remaining term of the Series 2022A Bonds. The Sinking Fund Installments as so recalculated shall not result in an increase in the aggregate of the Sinking Fund Installments for all Series 2022A Bonds in any year.

[END OF ARTICLE III]

ARTICLE IV

ESTABLISHMENT OF CERTAIN FUNDS AND ACCOUNTS

Section 4.1 Establishment of Series 2022A Costs of Issuance Account. In addition to the Funds and Accounts created pursuant to the Trust Indenture the Trustee hereby establishes a “Series 2022A Costs of Issuance Account” within the Project Fund into which the portion of the proceeds of the Series 2022A Bonds specified in Section 2.6(b) hereof shall be deposited. Payments shall be made from the Series 2022A Costs of Issuance Account to pay Costs of Issuance of the Series 2022A Bonds. Any Series 2022A Bond proceeds deposited in the Series 2022A Costs of Issuance Account which are not needed to pay costs of issuance of the Series 2022A Bonds shall, at the written direction of the District on behalf of the Issuer or six months after the date of issuance of the Series 2022A Bonds, whichever is earlier, be transferred to the Revenue Fund for transfer to other Funds and Accounts as set forth in Section 6.03 of the Trust Indenture.

Section 4.2 Establishment of Series 2022A Sinking Fund Subaccount. The Trustee hereby establishes a separate subaccount in the Sinking Fund Account designated as the “Series 2022A Sinking Fund Subaccount.” Moneys shall be deposited into the Series 2022A Sinking Fund Subaccount as provided in Section 6.04 of the Trust Indenture and Section 3.3 hereof, and applied for the purposes provided therein.

Section 4.3 Establishment of Series 2011 Bond Redemption Fund. The Trustee hereby establishes a “Series 2011 Bond Redemption Fund” pursuant to Section 8.04 of the Trust Indenture. There shall be deposited into the Series 2011 Bond Redemption Fund proceeds of the Series 2022A Bonds and other legally available funds of the District in the amount specified in Section 2.6(a) hereof.

Section 4.4 Establishment of Series 2022A Debt Service Reserve Account. The Trustee hereby establishes a separate account in the Debt Service Reserve Fund designated as the “Series 2022A Debt Service Reserve Account.” On the date of issuance and delivery of the Series 2022A Bonds, a Debt Service Reserve Insurance Policy in an amount equal to the Debt Service Reserve Requirement with respect to the Series 2022A Bonds, shall be deposited to the Series 2022A Debt Service Reserve Account. Notwithstanding the provisions of Section 6.04 of the Trust Indenture, amounts on deposit in the Debt Service Reserve Fund or any account other than the Series 2022A Debt Service Reserve Account therein, including a surety policy, if any, shall not be available for the benefit of the Series 2022A Bondholders.

[END OF ARTICLE IV]

ARTICLE V
SUPPLEMENTAL PROVISIONS REQUIRED BY
SERIES 2022A CREDIT FACILITY ISSUER

Section 5.1 Bond Insurance and Debt Service Reserve Policy Provisions.
Notwithstanding anything to the contrary in this Series 2022A Supplemental Trust Indenture, but subject to Section 12.14 of the Trust Indenture, the following provisions of this Article V shall apply:

Section 5.2 Bond Insurance Provisions.

- (a) The prior written consent of the Series 2022A Credit Facility Issuer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Series 2022A Debt Service Reserve Account of the Debt Service Reserve Fund (other than the Series 2022A Debt Service Reserve Insurance Policy). Notwithstanding anything to the contrary set forth in the Trust Indenture, amounts on deposit in the Series 2022A Debt Service Reserve Account of the Debt Service Reserve Fund shall be applied solely to the payment of debt service due on the Series 2022A Bonds.
- (b) The Series 2022A Credit Facility Issuer shall be deemed to be the sole holder of the Series 2022A Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Series 2022A Bonds are entitled to take pursuant to the Series 2022A Indenture pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Trustee. In furtherance thereof and as a term of the Series 2022A Indenture and each Series 2022A Bond, each holder of a Series 2022A Bond appoints the Series 2022A Credit Facility Issuer as its agent and attorney-in-fact and agrees that the Series 2022A Credit Facility Issuer may at any time during the continuation of any proceeding by or against the District under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an “Insolvency Proceeding”) direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a “Claim”), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, each holder of a Series 2022A Bond delegates and assigns to the Series 2022A Credit Facility Issuer, to the fullest extent permitted by law, its rights in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding. The Trustee acknowledges such appointment, delegation and assignment by each holder of a Series 2022A Bond for the Series 2022A Credit Facility Issuer’s benefit, and agrees to cooperate with the Series 2022A Credit Facility Issuer in taking any action reasonably necessary or appropriate in connection with such appointment, delegation and assignment. Remedies granted to the holders of Series 2022A Bonds shall expressly include mandamus. The obligations of the Trustee are subject to the conditions of Article XIII of the Trust Indenture.

- (c) The maturity of Series 2022A Bonds insured shall not be accelerated without the consent of the Series 2022A Credit Facility Issuer and in the event the maturity of the Series 2022A Bonds is accelerated, the Series 2022A Credit Facility Issuer may elect, in its sole discretion, to pay accelerated principal and interest accrued, on such principal to the date of acceleration (to the extent unpaid by the District) and the Trustee shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the Series 2022A Credit Facility Issuer's obligations under the Series 2022A Credit Facility with respect to such Series 2022A Bonds shall be fully discharged.
- (d) No grace period for a covenant default shall exceed thirty (30) days or be extended for more than sixty (60) days, without the prior written consent of the Series 2022A Credit Facility Issuer. No grace period shall be permitted for payment defaults.
- (e) The Series 2022A Credit Facility Issuer shall be included as a third party beneficiary to this Series 2022A Supplemental Trust Indenture.
- (f) Upon the occurrence of an extraordinary mandatory redemption in part, the selection of Series 2022A Bonds to be redeemed shall be subject to the approval of the Series 2022A Credit Facility Issuer. The exercise of any provision of the Series 2022A Indenture which permits the purchase of Series 2022A Bonds in lieu of redemption shall require the prior written approval of the Series 2022A Credit Facility Issuer if any Series 2022A Bond so purchased is not cancelled upon purchase.
- (g) Any amendment, supplement, modification to, or waiver of, the Series 2022A Indenture or any other transaction document, including any underlying security agreement (each a "Related Document"), that requires the consent of the Owners of the Series 2022A Bonds or adversely affects the rights and interests of the Series 2022A Credit Facility Issuer shall be subject to the prior written consent of the Series 2022A Credit Facility Issuer.
- (h) [Reserved.]
- (i) The rights granted to the Series 2022A Credit Facility Issuer under the Series 2022A Indenture or any other Related Document to request, consent to or direct any action are rights granted to the Series 2022A Credit Facility Issuer in consideration of its issuance of the Series 2022A Credit Facility. Any exercise by the Series 2022A Credit Facility Issuer of such rights is merely an exercise of the Series 2022A Credit Facility Issuer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the holders of Series 2022A Bonds and such action does not evidence any position of the Series 2022A Credit Facility Issuer, affirmative or negative, as to whether the consent of the holders of Series 2022A Bonds or any other person is required in addition to the consent of the Series 2022A Credit Facility Issuer.
- (j) Only (1) cash, (2) non-callable direct obligations of the United States of America ("Treasures"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasures held by a bank or trust company as custodian, under

which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) subject to the prior written consent of the Series 2022A Credit Facility Issuer, pre-refunded municipal obligations rated “AAA” and “Aaa” by S&P and Moody’s, respectively, or (5) subject to the prior written consent of the Series 2022A Credit Facility Issuer, securities eligible for “AAA” defeasance under then existing criteria of S&P or any combination thereof, shall be used to effect defeasance of the Series 2022A Bonds unless the Series 2022A Credit Facility Issuer otherwise approves in writing.

To accomplish defeasance, the Issuer or the District shall cause to be delivered to the Series 2022A Credit Facility Issuer (i) a report of either a nationally-recognized verification agent or a report of an independent firm of nationally recognized certified public accountants or such other accountant as shall be acceptable in form and substance to the Series 2022A Credit Facility Issuer (“Accountant”) verifying the sufficiency of the escrow established to pay the Series 2022A Bonds in full on the maturity or redemption date (“Verification”), (ii) an escrow deposit agreement or other irrevocable written instructions to the Trustee (each of which shall be acceptable in form and substance to the Series 2022A Credit Facility Issuer), (iii) an opinion of nationally recognized bond counsel to the effect that the Series 2022A Bonds are no longer “Outstanding” under the Series 2022A Indenture and (iv) if required, a certificate of discharge of the Trustee with respect to the Series 2022A Bonds. Each Verification and defeasance opinion shall be addressed to the District, the Issuer, the Trustee and the Series 2022A Credit Facility Issuer. The Series 2022A Credit Facility Issuer shall be provided with final drafts of the above-referenced documentation not less than two business days prior to the funding of the escrow. Series 2022A Bonds shall be deemed “Outstanding” under the Series 2022A Indenture unless and until they are in fact paid and retired or the above criteria are met.

- (k) Amounts paid by the Series 2022A Credit Facility Issuer under the Series 2022A Credit Facility shall not be deemed paid for purposes of the Series 2022A Indenture and the Series 2022A Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid by the District on behalf of the Issuer in accordance with the Series 2022A Indenture. The Series 2022A Indenture shall not be discharged unless all amounts due or to become due to the Series 2022A Credit Facility Issuer have been paid in full or duly provided for.
- (l) The District covenants and agrees to take such action (including, as applicable, filing of UCC financing statements and continuations thereof) as is necessary from time to time to preserve the priority of the pledge of the Pledged Revenues under applicable law.
- (m) Claims Upon the Series 2022A Credit Facility and Payments by and to the Series 2022A Credit Facility Issuer:

If, on the third Business Day prior to the related scheduled interest payment date or principal payment date (“Payment Date”) there is not on deposit with the Trustee, after

making all transfers and deposits required under the Series 2022A Indenture, moneys sufficient to pay the principal of and interest on the Series 2022A Bonds due on such Payment Date, the Trustee shall give notice to the Series 2022A Credit Facility Issuer and to its designated agent (if any) (the “Series 2022A Credit Facility Issuer’s Fiscal Agent”) by email, telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Series 2022A Bonds due on such Payment Date, the Trustee shall make a claim under the Series 2022A Credit Facility and give notice to the Series 2022A Credit Facility Issuer and the Series 2022A Credit Facility Issuer’s Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Series 2022A Bonds and the amount required to pay principal of the Series 2022A Bonds, confirmed in writing to the Series 2022A Credit Facility Issuer and the Series 2022A Credit Facility Issuer’s Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Series 2022A Credit Facility .

The Trustee shall designate any portion of payment of principal on Series 2022A Bonds paid by the Series 2022A Credit Facility Issuer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Series 2022A Bonds registered to the then current holder of a Series 2022A Bond, whether DTC or its nominee or otherwise, and shall issue a replacement Series 2022A Bond to the Series 2022A Credit Facility Issuer, registered in the name of Assured Guaranty Municipal Corp., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee’s failure to so designate any payment or issue any replacement Series 2022A Bond shall have no effect on the amount of principal or interest payable by the Issuer on any Series 2022A Bond or the subrogation rights of the Series 2022A Credit Facility Issuer.

The Trustee shall keep a complete and accurate record of all funds deposited by the Series 2022A Credit Facility Issuer into the Series 2022A Credit Facility Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any Series 2022A Bond. The Series 2022A Credit Facility Issuer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

Upon payment of a claim under the Series 2022A Credit Facility, the Trustee shall establish a separate special purpose trust account for the benefit of holders of Series 2022A Bonds referred to herein as the “Series 2022A Credit Facility Payments Account” and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Series 2022A Credit Facility in trust on behalf of holders of Series 2022A Bonds and shall deposit any such amount in the Series 2022A Credit Facility Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to holders of Series 2022A Bonds in the same manner as principal and interest payments are to be made with respect to the Series 2022A Bonds under the sections hereof regarding payment of Series 2022A Bonds. It shall not be necessary for such payments to be made

by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything herein to the contrary, the District agrees to pay to the Series 2022A Credit Facility Issuer from Pledged Revenues (i) a sum equal to the total of all amounts paid by the Series 2022A Credit Facility Issuer under the Series 2022A Credit Facility (the “Series 2022A Credit Facility Issuer Advances”); and (ii) interest on such Series 2022A Credit Facility Issuer Advances from the date paid by the Series 2022A Credit Facility Issuer until payment thereof in full, payable to the Series 2022A Credit Facility Issuer at the Late Payment Rate per annum (collectively, the “Series 2022A Credit Facility Issuer Reimbursement Amounts”). “Late Payment Rate” means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Series 2022A Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The District hereby covenants and agrees that the Series 2022A Credit Facility Issuer Reimbursement Amounts are secured by a lien on and pledge of the Pledged Revenues payable from such Pledged Revenues on a parity with debt service due on the Series 2022A Bonds, but subject to payment of amounts due as provided in Section 12.11 of the Trust Indenture.

Funds held in the Series 2022A Credit Facility Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. Any funds remaining in the Series 2022A Credit Facility Payments Account following a Series 2022A Bond payment date shall promptly be remitted to the Series 2022A Credit Facility Issuer.

- (n) The Series 2022A Credit Facility Issuer shall, to the extent it makes any payment of principal of or interest on the Series 2022A Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Series 2022A Credit Facility (which subrogation rights shall also include the rights of any such recipients in connection with any Insolvency Proceeding). Each obligation of the District to the Series 2022A Credit Facility Issuer under the Related Documents shall survive discharge or termination of such Related Documents.
- (o) The District shall pay or reimburse the Series 2022A Credit Facility Issuer, from Pledged Revenues, any and all charges, fees, costs and expenses that the Series 2022A Credit Facility Issuer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under the Series 2022A Indenture or any other Related Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Series 2022A Indenture or any other Related Document whether or not executed or completed, or (iv) any litigation or other dispute in connection with the Series 2022A Indenture or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the Series

2022A Credit Facility Issuer to honor its obligations under the Series 2022A Credit Facility. The Series 2022A Credit Facility Issuer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Series 2022A Indenture or any other Related Document.

- (p) After payment of reasonable fees and expenses of the Trustee, the application of funds realized upon default shall be applied to the payment of expenses of the District or Issuer or rebate only after the payment of past due and current debt service on the Series 2022A Bonds and amounts required to restore the Series 2022A Debt Service Reserve Account of the Debt Service Reserve Fund to the Debt Service Reserve Requirement.
- (q) The Series 2022A Credit Facility Issuer shall be entitled to pay principal or interest on the Series 2022A Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer or District (as such terms are defined in the Series 2022A Credit Facility) and any amounts due on the Series 2022A Bonds as a result of acceleration of the maturity thereof, whether or not the Series 2022A Credit Facility Issuer has received a Notice of Nonpayment (as such terms are defined in the Series 2022A Credit Facility) or a claim upon the Series 2022A Credit Facility .
- (r) The notice address of the Series 2022A Credit Facility Issuer is: Assured Guaranty Municipal Corp., 1633 Broadway, New York, New York 10019, Attention: Managing Director – Surveillance, Re: Policy No. [____], Telephone: (212) 974-0100; Telecopier: (212) 339-3556. In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the Deputy General Counsel- Public Finance and shall be marked to indicate “URGENT MATERIAL ENCLOSED.”
- (s) The Series 2022A Credit Facility Issuer shall be provided with the following information by the District or the Trustee, as applicable, to the extent the District or Trustee, as the case may be, has knowledge of such event, as follows:
 - (i) By the District: To the extent not otherwise filed with the Municipal Securities Rulemaking Board’s EMMA system, annual audited financial statements within one hundred eighty (180) days after the end of the District’s fiscal year (together with a certification of the District that it is not aware of any default or Event of Default under the Trust Indenture), and the District’s annual budget within 30 days after the approval thereof together with such other information, data or reports as the Series 2022A Credit Facility Issuer shall reasonably request from time to time;
 - (ii) By the Trustee: Notice of any draw upon the Series 2022A Debt Service Reserve Account of the Debt Service Reserve Fund within two Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the Debt Service Reserve Requirement and (ii) withdrawals in connection with a refunding of the Series 2022A Bonds;

- (iii) By the Trustee: Notice of any default known to the Trustee within five Business Days after knowledge thereof;
- (iv) By the Trustee: Prior notice of the advance refunding or redemption of any of the Series 2022A Bonds, including the principal amount, maturities and CUSIP numbers thereof;
- (v) By the District: Notice of the resignation or removal of the Trustee and Bond Registrar and the appointment of, and acceptance of duties by, any successor thereto;
- (vi) By the Trustee: Notice of the commencement of any Insolvency Proceeding;
- (vii) By the Trustee: Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Series 2022A Bonds;
- (viii) By the District: A full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to the Related Documents;
- (ix) By the Trustee: All reports, notices and correspondence to be delivered to holders of Series 2022A Bonds under the terms of the Related Documents; and
- (x) By the District: All information furnished pursuant to the Continuing Disclosure Certificate, shall also be provided to the Series 2022A Credit Facility Issuer, simultaneously with the furnishing of such information.

The Trustee shall provide the notices required under (ii) through (iv), (vi), (vii) and (ix) above to the extent the Trustee is required to provide such notices to the holders of the Series 2022A Bonds pursuant to the Related Documents.

- (t) The Series 2022A Credit Facility Issuer shall have the right to receive such additional information as it may reasonably request.
- (u) The District will permit the Series 2022A Credit Facility Issuer to discuss the affairs, finances and accounts of the District or any information the Series 2022A Credit Facility Issuer may reasonably request regarding the security for the Series 2022A Bonds with appropriate officers of the District and will use commercially reasonable efforts to enable the Series 2022A Credit Facility Issuer to have access to the facilities, books and records of the District on any business day upon reasonable prior notice.

- (v) The Trustee shall notify the Series 2022A Credit Facility Issuer of any failure of the District to provide notices, certificates and other information under the transaction documents if such failure constitutes an Event of Default.
- (w) Notwithstanding satisfaction of the other conditions to the issuance of Additional Bonds set forth in the Series 2022A Indenture, no such issuance may occur (1) if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon such issuance and (2) unless the Series 2022A Debt Service Reserve Account of the Debt Service Reserve Fund is fully funded at the Debt Service Reserve Requirement upon the issuance of such Additional Bonds, in either case unless otherwise permitted by the Series 2022A Credit Facility.
- (x) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under the Series 2022A Indenture would adversely affect the security for the Series 2022A Bonds or the rights of the holders of Series 2022A Bonds, the Trustee shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Series 2022A Credit Facility.
- (y) No contract shall be entered into or any action taken by which the rights of the Series 2022A Credit Facility Issuer or security for or sources of payment of the Series 2022A Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Series 2022A Credit Facility Issuer.
- (z) So long as any Series 2022A Bonds insured by the Series 2022A Credit Facility Issuer remain outstanding or any amounts are owed to the Series 2022A Credit Facility Issuer by the District, the District shall not issue or incur indebtedness payable from or secured in whole or in part by the Pledged Revenues that (i) bears interest at other than fixed rates or (ii) permits the holder to tender such indebtedness for purchase prior to the stated maturity thereof, in either case without the prior written consent of the Series 2022A Credit Facility Issuer.
- (aa) So long as any Series 2022A Bonds insured by the Series 2022A Credit Facility Issuer remain outstanding or any amounts are owed to the Series 2022A Credit Facility Issuer by the District, the District shall not enter into any interest rate exchange agreement, cap, collar, floor ceiling or other agreement or instrument involving reciprocal payment obligations between the District and a counterparty based on interest rates applied to a notional amount of principal, without the prior written consent of the Series 2022A Credit Facility Issuer.

Section 5.3 Debt Service Reserve Policy Provisions.

- (a) The District shall repay any draws under the Series 2022A Debt Service Reserve Insurance Policy and pay all related reasonable expenses incurred by the Series 2022A Credit Facility Issuer and shall pay interest thereon from the date of payment by the Series 2022A Credit

Facility Issuer at the Late Payment Rate. “Late Payment Rate” means the lesser of (x) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate (“Prime Rate”) (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus 5%, and (ii) the then applicable highest rate of interest on the Series 2022A Bonds and (y) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such national bank as the Series 2022A Credit Facility Issuer shall specify. If the interest provisions of this subparagraph (a) shall result in an effective rate of interest which, for any period, exceeds the limit of the usury or any other laws applicable to the indebtedness created herein, then all sums in excess of those lawfully collectible as interest for the period in question shall, without further agreement or notice between or by any party hereto, be applied as additional interest for any later periods of time when amounts are outstanding hereunder to the extent that interest otherwise due hereunder for such periods plus such additional interest would not exceed the limit of the usury or such other laws, and any excess shall be applied upon principal immediately upon receipt of such moneys by the Series 2022A Credit Facility Issuer, with the same force and effect as if the District had specifically designated such extra sums to be so applied and the Series 2022A Credit Facility Issuer had agreed to accept such extra payment(s) as additional interest for such later periods. In no event shall any agreed-to or actual exaction as consideration for the indebtedness created herein exceed the limits imposed or provided by the law applicable to this transaction for the use or detention of money or for forbearance in seeking its collection.

Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, “Policy Costs”) shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the Series 2022A Credit Facility Issuer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to the Series 2022A Credit Facility Issuer on account of principal due, the coverage under the Series 2022A Debt Service Reserve Insurance Policy will be increased by a like amount, subject to the terms of the Series 2022A Debt Service Reserve Insurance Policy. The obligation to pay Policy Costs shall be secured by a valid lien on all revenues and other collateral pledged as security for the Series 2022A Bonds, including the Pledged Revenues (subject only to the priority of payment provisions set forth under the Trust Indenture).

All cash and investments in the Series 2022A Debt Service Reserve Account of the Debt Service Reserve Fund shall be transferred to the Revenue Fund for payment of debt service on the Series 2022A Bonds before any drawing may be made on the Series 2022A Debt Service Reserve Insurance Policy or any other Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit credited to the Series 2022A Debt Service Reserve Account of the Debt Service Reserve Fund in lieu of cash (“Credit Facility”). Payment of any Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all Credit Facilities (including the Series 2022A Debt Service Reserve Insurance Policy) on which there is available coverage shall be made

on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Series 2022A Debt Service Reserve Account of the Debt Service Reserve Fund. Payment of Policy Costs and reimbursement of amounts with respect to other Credit Facilities shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Series 2022A Debt Service Reserve Account of the Debt Service Reserve Fund. For the avoidance of doubt, “available coverage” means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

(b) If the District shall fail to pay any Policy Costs in accordance with the requirements of subparagraph (a) hereof, the Series 2022A Credit Facility Issuer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Series 2022A Indenture other than (i) acceleration of the maturity of the Series 2022A Bonds or (ii) remedies which would adversely affect owners of the Series 2022A Bonds.

(c) The Series 2022A Indenture shall not be discharged until all Policy Costs owing to the Series 2022A Credit Facility Issuer shall have been paid in full. The District’s obligation to pay such amounts shall expressly survive payment in full of the Series 2022A Bonds.

(d) The District shall include any Policy Costs then due and owing to the Series 2022A Credit Facility Issuer in the calculation of the Additional Bonds test and the rate covenant in the Series 2022A Indenture.

(e) The Trustee shall ascertain the necessity for a claim upon the Series 2022A Debt Service Reserve Insurance Policy in accordance with the provisions of subparagraph (a) hereof and to provide notice to the Series 2022A Credit Facility Issuer in accordance with the terms of the Series 2022A Debt Service Reserve Insurance Policy at least five (5) business days prior to each date upon which interest or principal is due on the Series 2022A Bonds. Where deposits are required to be made by the District with the Trustee to the Revenue Fund for the Series 2022A Bonds more often than semi-annually, the Trustee shall be instructed to give notice to the Series 2022A Credit Facility Issuer of any failure of the District to make timely payment in full of such deposits within two business days of the date due.

[END OF ARTICLE V]

ARTICLE VI MISCELLANEOUS PROVISIONS

Section 6.1 Patriot Act Requirements of Trustee. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust or other legal entity, the Trustee will ask for documentation to verify such non-individual person's formation and existence as a legal entity. The Trustee may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

Section 6.2 Brokerage Confirmations. The District acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the District the right to receive individual confirmations of security transactions at no additional cost, as they occur, the District specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the District periodic cash transaction statements that include detail for all investment transactions made by the Trustee hereunder.

Section 6.3 Notices. Any notice, demand, direction, request or other instrument authorized or required by the Series 2022A Indenture to be given to or filed with the District, the Trustee, the Series 2022A Credit Facility Issuer or a Liquidity Facility Issuer, shall be deemed to have been sufficiently given or filed for all purposes of the Series 2022A Indenture if and when personally delivered and receipted for, or sent by registered United States mail, return receipt requested, addressed as follows:

(a) As to the District:

Bay Laurel Center Community Development District
c/o Governmental Management Services-Central Florida, LLC
219 East Livingston Street
Orlando, FL 32801
Attention: District Manager

(b) As to the Issuer:

Indigo East Community Development District
c/o Governmental Management Services-Central Florida, LLC
219 East Livingston Street
Orlando, FL 32801
Attention: District Manager

With a copy of (a) or (b) to -

Bay Laurel Center Community Development District
c/o On Top of the World
8447 S.W. 99th Street
Ocala, Florida 34481

Attention: Chairperson, Board of Supervisors

(c) As to the Trustee:

U.S. Bank Trust Company, National Association
500 West Cypress Creek Road
Suite 460
Fort Lauderdale, Florida 33309
Attention: Scott A. Schuhle
Vice President, Global Corporate Trust

(d) As to the Series 2022A Credit Facility Issuer:

Assured Guaranty Municipal Corp.
1633 Broadway
24th Floor
New York, NY 10019
Attention: Managing Director-Municipal Surveillance

In each case in which notice or other communication to the Series 2022A Credit Facility Issuer refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel [at _____] and shall be marked to indicate “URGENT MATERIAL ENCLOSED.”

Any of the foregoing may, by notice sent to each of the others, designate a different or additional address to which notices under the Series 2022A Indenture are to be sent.

All documents received by the Trustee under the provisions of the Trust Indenture as supplemented by this Series 2022A Supplemental Trust Indenture and not required to be redelivered shall be retained in its possession, subject at all reasonable times to the inspection of the Issuer, the District, the Series 2022A Credit Facility Issuer, any Liquidity Facility Issuer, any Bondholder and the agents and representatives thereof.

Section 6.4 Controlling Law. This Series 2022A Supplemental Trust Indenture shall be governed by and construed in accordance with the laws of the State.

Section 6.5 Successors and Assigns. All the covenants, promises and agreements in the this Series 2022A Supplemental Indenture contained by or on behalf of the Issuer, the District or by or on behalf of the Trustee, shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

Section 6.6 Headings for Convenience Only. The table of contents and descriptive headings in this Series 2022A Supplemental Indenture for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

Section 6.7 Counterparts. This Series 2022A Supplemental Trust Indenture may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.

Section 6.8 Appendices and Exhibits. Any and all appendices or exhibits referred to in and attached to this Series 2022A Supplemental Trust Indenture are hereby incorporated herein and made a part hereof for all purposes.

Section 6.9 Amendment to Trust Indenture. The definition of “Debt Service Reserve Requirement” in Article I of the Trust Indenture is hereby be amended in its entirety as follows, with respect to the Series 2022A Bonds, pursuant to the provisions for amendment in Section 15.02 contained in the Trust Indenture:

“Debt Service Reserve Requirement” shall mean, with respect to the Series 2022A Bonds, at the date on which such Debt Service Reserve Requirement is being calculated, an amount equal to fifty (50%) of the lesser of (i) the maximum annual Debt Service Requirements for the Series 2022A Bonds, (ii) 125% of the average annual Debt Service Requirements for all Outstanding Series 2022A Bonds, and (iii) 10% of the proceeds (within the meaning of the Code) of all Outstanding Series 2022A Bonds.

Section 6.10 Applicability of Remaining Provisions. Except as expressly modified as stated above, all provisions of the Trust Indenture shall remain unaffected and in full force and effect.

Section 6.11 Use of Series 2022A Bond Proceeds to Comply with Internal Revenue Code. Each of the Issuer and the District covenants to the holders of the Series 2022A Bonds that it will not make or direct the making of any investment or other use of the proceeds of the Series 2022A Bonds issued hereunder, which would cause such Series 2022A Bonds to be “arbitrage bonds” as that term is defined in Section 148 of the Code or “private activity bonds” as that term is defined in Section 141, of the Code, and that each will comply with the requirements of such Code sections and related regulations throughout the term of such Series 2022A Bonds. Each of the Issuer and the District hereby further covenants and agrees to comply with the procedures and covenants contained in any Arbitrage Rebate Agreement executed in connection with the issuance of the Series 2022A Bonds for so long as compliance is necessary in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Series 2022A Bonds.

[END OF ARTICLE VI]

[Signature Page Follows]

IN WITNESS WHEREOF, Bay Laurel Center Community Development District has caused this Series 2022A Supplemental Trust Indenture to be executed by the Chairperson of its Board of Supervisors and its corporate seal to be hereunto affixed, attested by the Secretary or Assistant Secretary of its Board of Supervisors, Indigo East Community Development District has caused this Series 2022A Supplemental Trust Indenture to be executed by the Chairperson of its Board of Supervisors and its corporate seal to be hereunto affixed, attested by the Secretary or Assistant Secretary of its Board of Supervisors, and U.S. Bank Trust Company, National Association has caused this Series 2022A Supplemental Trust Indenture to be executed by one of its Vice Presidents, all as of the day and year first above written.

(SEAL)

**BAY LAUREL CENTER COMMUNITY
DEVELOPMENT DISTRICT**

By: _____
Chairperson, Board of Supervisors

Attest:

Secretary, Board of Supervisors

(SEAL)

**INDIGO EAST COMMUNITY
DEVELOPMENT DISTRICT**

By: _____
Chairperson, Board of Supervisors

Attest:

Secretary, Board of Supervisors

**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION**
as Trustee, Paying Agent and Registrar

By: _____
Vice President

APPENDIX A

FORM OF SERIES 2022A BOND

No. AR-____

\$_____

**UNITED STATES OF AMERICA
STATE OF FLORIDA
INDIGO EAST COMMUNITY DEVELOPMENT DISTRICT
(MARION COUNTY, FLORIDA)
WATER AND SEWER REVENUE REFUNDING BOND
SERIES 2022A**

Interest Rate
%

Maturity Date
September 1, 20__

Dated Date
September [29],
2022

CUSIP
[_____]

Registered Owner: CEDE & CO

Principal Amount: [_____] AND NO/100
DOLLARS

KNOW ALL MEN BY THESE PRESENTS that the Indigo East Community Development District (the “Issuer”), for value received, hereby promises to pay to the registered owner shown above or registered assigns, on the date specified above, from the sources hereinafter mentioned, upon presentation and surrender hereof at the designated corporate trust office of U.S. Bank Trust Company, National Association, in Fort Lauderdale, Florida, as paying agent (said U.S. Bank Trust Company, National Association and/or any bank or trust company to become successor paying agent being herein called the “Paying Agent”), the Principal Amount set forth above (with interest thereon at the Interest Rate per annum set forth above, computed on the basis of a 360-day year of 30- day months), said principal payable on the first day of September of each year commencing September 1, 2023. Principal of this Bond is payable at the designated corporate trust office of U.S. Bank Trust Company, National Association, located in Fort Lauderdale, Florida, in lawful money of the United States of America. Interest on this Bond is payable by check or draft of the Paying Agent made payable to the registered owner and mailed on each Interest Payment Date to the address of the registered owner as such name and address shall appear on the registry books of the Issuer maintained by U.S. Bank Trust Company, National Association, as Registrar (said U.S. Bank Trust Company, National Association and any successor Registrar being herein called the “Registrar”) at the close of business on the fifteenth day of the calendar month preceding each interest payment date or the date on which the principal of a Bond is to be paid (the “Record Date”), provided however presentation is not required for payment while this Bond is registered in book-entry only form. Such interest shall be payable from the most recent interest payment date next preceding the date of authentication hereof to which interest has been paid, unless the date of authentication hereof is a March 1 or September 1 to which interest has been paid, in which case from the date of authentication hereof, or unless such date of authentication is prior to March 1, 2023, in which case from the dated date of this Bond specified above, or unless the date of

authentication hereof is between a Record Date and the next succeeding interest payment date, in which case from such interest payment date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such Record Date and may be paid to the person in whose name this Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Paying Agent, notice whereof shall be given to Bondholders of record as of the fifth (5th) day prior to such mailing, at their registered addresses, not less than ten (10) days prior to such Special Record Date, or may be paid, at any time in any other lawful manner, as more fully provided in the Trust Indenture (defined below). Any capitalized term used in this Bond and not otherwise defined shall have the meaning ascribed to such term in the Trust Indenture.

The Series 2022A Bonds shall be issued as fully registered Bonds in the denomination of \$5,000 or any integral multiple thereof.

THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER AND OF THE BAY LAUREL CENTER COMMUNITY DEVELOPMENT DISTRICT (THE “DISTRICT”), PAYABLE SOLELY FROM PLEDGED REVENUES PLEDGED THEREFOR UNDER THE TRUST INDENTURE AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE ISSUER, THE DISTRICT, MARION COUNTY, FLORIDA, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE BONDS. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER, THE DISTRICT, MARION COUNTY, FLORIDA, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

This Bond is one of an authorized issue of bonds of Indigo East Community Development District (Marion County, Florida), a community development district duly created, organized and existing under Chapter 190, Florida Statutes (the Uniform Community Development District Act of 1980), as amended (the “Act”), designated as “Indigo East Community Development District (Marion County, Florida) Water and Sewer Revenue Refunding Bonds, Series 2022A” in the aggregate principal amount of [_____] (\$PAR) of like date, tenor and effect, except as to number, date of maturity and interest rate. The Bonds are being issued under authority of the laws and Constitution of the State of Florida, including particularly the Act and the Refunding Interlocal Agreement (as defined herein), to provide funds, together with other legally available funds of the District held under the Trust Indenture, for the purposes of (i) refunding and retiring all of the District’s outstanding Water and Sewer Revenue Bonds, Series 2011, and (ii) paying the costs of issuance of the Series 2022A Bonds, including the premiums for the Series 2022A Credit Facility and the Series 2022A Debt Service Reserve Insurance Policy.

The Series 2022A Bonds are issued under, and are secured and governed by, a Trust Indenture, dated as of October 1, 2011, by and between the District and the Trustee (the “Trust Indenture”), as supplemented by a Series 2022A Supplemental Trust Indenture dated as of September 1, 2022 by and among the Issuer, the District and the Trustee (the “Series 2022A Supplemental Indenture”), executed counterparts of which are on file at the corporate trust office of the Trustee in Fort Lauderdale, Florida. The Series 2022A Bonds are also issued pursuant to an

Interlocal Agreement, dated as of May 17, 2022 (the “Refunding Interlocal Agreement”) by and between the Issuer and the District.

Reference is hereby made to the Trust Indenture for the provisions, among others, with respect to the custody and application of the proceeds of the Bonds issued under the Trust Indenture; the operation and application of the Debt Service Fund and other Funds and Accounts (each as defined in the Trust Indenture) charged with and pledged to the payment of the principal of, premium, if any, and the interest on the Bonds; the collection and disposition of revenues of the Utilities System (as defined in the Trust Indenture); the nature and extent of the security for the Bonds; the terms and conditions on which the Bonds are issued and on which Additional Bonds (as defined in the Trust Indenture) may be issued on a parity herewith; the rights, duties and obligations of the Issuer, the District and of the Trustee under the Trust Indenture; the conditions under which such Trust Indenture may be amended without the consent of the registered owners of Bonds and the conditions under which such Trust Indenture may be amended with the consent of the registered owners of at least a majority in aggregate principal amount of the Bonds outstanding; and the consent of the Series 2022A Credit Facility Issuer (as defined in the Series 2022A Supplemental Indenture); and as to other rights and remedies of the registered owners of the Bonds.

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

It is expressly agreed by the owner of this Bond that such owner shall never have the right to require or compel the exercise of the ad valorem taxing power of the Issuer, the District, Marion County, Florida, the State of Florida or any political subdivision thereof, or taxation in any form of any real or personal property of the Issuer, the District, Marion County, Florida, the State of Florida or any political subdivision thereof, for the payment of the principal of, premium, if any, and interest on this Bond or the making of any other sinking fund and other payments provided for in the Trust Indenture.

By the acceptance of this Bond, the owner hereof assents to all the provisions of the Trust Indenture.

This Bond is payable from and secured by Pledged Revenues, as such term is defined in the Trust Indenture, all in the manner provided in the Trust Indenture. The Trust Indenture provides for the fixing, charging and collecting by the Issuer of reasonable rates, fees, rents and other charges for access to and use of the Utilities System and for revising the same from time to time in order that the Pledged Revenues will be sufficient to meet the covenants set forth in the Trust Indenture with respect to payment of the principal of, premium, if any, and interest on the Bonds, and to provide funds to pay the cost of maintaining, repairing and operating said Utilities System and to create reserves for such purposes. This Bond is additionally secured by the Series 2022A Credit Facility (as defined in the Series 2022A Supplemental Indenture).

The Series 2022A Bonds are subject to redemption prior to maturity in the amounts, at the times and in the manner provided below. All payments of the redemption price of the Bonds shall

be made on the dates specified below. If less than all the Series 2022A Bonds are to be redeemed, the Trustee shall select the particular Series 2022A Bonds or portions of the Series 2022A Bonds to be redeemed as directed by the Issuer, and by lot within a maturity; provided, however, that the portion of any Series 2022A Bond to be redeemed shall be in the principal amount of \$5,000 or an integral multiple thereof.

Optional Redemption

The Series 2022A Bonds maturing on or after September 1, 2032 may, at the option of the District on behalf of the Issuer, be called for redemption by the Issuer prior to maturity in whole at any time, or in part on any Interest Payment Date, on or after September 1, 2032 (less than all Series 2022A Bonds to be selected by lot), at a Redemption Price equal to the principal amount of Series 2022A Bonds to be redeemed, plus accrued interest from the most recent Interest Payment Date to the redemption date.

Mandatory Sinking Fund Redemption

The Series 2022A Bonds maturing September 1, 20[] are subject to mandatory redemption in part by the Issuer by lot prior to their scheduled maturity from moneys in the Series 2022A Sinking Fund Subaccount established under the Trust Indenture in satisfaction of applicable Sinking Fund Installments, at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption, on September 1 of the years and in the principal amounts set forth below:

<u>Year</u>	<u>Sinking Fund Installment</u>	<u>Year</u>	<u>Sinking Fund Installment</u>
	\$	*	\$

* Maturity.

Upon any redemption of Series 2022A Bonds other than in accordance with scheduled Sinking Fund Installments or upon any purchase of Series 2022A Bonds which are presented to the Trustee for cancellation, the District on behalf of the Issuer shall cause to be recalculated and delivered to the Trustee revised Sinking Fund Installments recalculated so as to amortize the Outstanding principal amount of Series 2022A Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Series 2022A Bonds. The Sinking Fund Installments as so recalculated shall not result in an increase in the aggregate of the Sinking Fund Installments for all Series 2022A Bonds in any year.

Extraordinary Mandatory Redemption from Insurance or Condemnation Proceeds

In the event that the District receives any insurance or condemnation proceeds with respect to the Utilities System and such moneys, together with any available moneys of the District, are

insufficient, as evidenced by a certificate of the Consulting Engineer provided to the Trustee, to repair, replace or restore the damaged, destroyed or condemned Utilities System and the Issuer has no other funds available therefor, the District shall apply such insurance or condemnation proceeds to the extraordinary mandatory redemption of Bonds, including the Series 2022A Bonds, to the extent of such funds, at a Redemption Price of par plus accrued interest to the date of redemption.

The Trustee shall cause notice of redemption to be mailed at least thirty but not more than sixty days prior to the date of redemption to all registered owners of Bonds to be redeemed (as such owners appear on the books of the Registrar on the fifth day prior to such mailing) and to certain additional parties as set forth in the Trust Indenture; provided, however, that failure to mail any such notice or any defect in the notice or the mailing thereof shall not affect the validity of the redemption of the Bonds for which such notice was duly mailed in accordance with the Trust Indenture. If less than all of the Bonds shall be called for redemption, the notice of redemption shall specify the Bonds to be redeemed. On the redemption date, the Bonds called for redemption will be payable at the corporate trust office of the Paying Agent located in Fort Lauderdale, Florida and on such date interest shall cease to accrue, such Bonds shall cease to be entitled to any benefit under the Trust Indenture and such Bonds shall not be deemed to be outstanding under the provisions of the Trust Indenture and the registered owners of such Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof. If at the time of the giving of any notice of optional redemption there shall be on deposit with the Trustee moneys insufficient to redeem all the Bonds called for redemption, such notice shall state that it is conditional and that redemption of such Bonds is subject to the deposit of the redemption moneys with the Trustee not later than the opening of business on the redemption date, and that such notice shall be of no effect with respect to any Bonds for which such moneys are not so deposited. If the amount of funds so deposited with the Trustee, or otherwise available, is insufficient to pay the redemption price and interest on all Bonds so called for redemption on such date, the Trustee shall redeem and pay on such date an amount of such Bonds for which such funds are sufficient, selecting the Bonds to be redeemed by lot from among all such Bonds called for redemption on such date, and interest on any Bonds not paid shall continue to accrue as provided in the Trust Indenture.

The Issuer shall keep books for the registration of the Bonds at the corporate trust office of the Registrar in Fort Lauderdale, Florida. The Bonds may be transferred or exchanged by the registered owner thereof in person or by his attorney duly authorized in writing only upon the books of the Issuer kept by the Registrar and only upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney. In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Issuer shall execute and the Trustee or such other authenticating agent as may be appointed by the Trustee under the Trust Indenture shall authenticate and deliver a new Bond or Bonds in authorized form and in like aggregate principal amount in accordance with the provisions of the Trust Indenture. There shall be no charge for any such exchange or transfer of Bonds, but the Issuer may require payment of a sum sufficient to pay any tax, fee or other governmental charge imposed. Neither the Issuer nor the Registrar shall be required (a) to transfer or exchange Bonds for a period of 15 days next preceding any selection of Bonds to be redeemed or thereafter until after the mailing of any notice of redemption; or (b) to transfer or exchange any Bond called for redemption in whole or in part.

The Issuer, the District, the Trustee, the Paying Agent and the Registrar may deem and treat the person in whose name any Bond shall be registered upon the books kept by the Registrar as the absolute owner thereof (whether or not such Bond shall be overdue and notwithstanding any notation of ownership or other writing thereon made by anyone other than the Issuer, the District, the Trustee, the Paying Agent or the Registrar) for the purpose of receiving payment of or on account of the principal of, premium, if any, and interest on such Bond as the same becomes due, and for all other purposes. All such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Issuer, the District, the Trustee, the Paying Agent, nor the Registrar shall be affected by any notice to the contrary.

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.

This Bond shall be issued initially pursuant to a book-entry-only system administered by The Depository Trust Company, New York, New York ("DTC"), which shall act as securities depository for the Series 2022A Bonds, with no physical distribution of Series 2022A Bonds to be made. Any provisions of the Trust Indenture or this Bond requiring physical delivery of Series 2022A Bonds shall, under the book-entry-only system, be deemed to be satisfied by a notation on the records maintained by DTC of ownership interests of its participants ("DTC Participants") and other institutions that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly ("Indirect Participants"). DTC Participants and Indirect Participants will be responsible for maintaining records with respect to the beneficial ownership interests of individual purchasers of the Bonds ("Beneficial Owners").

This Bond shall initially be issued in the name of Cede & Co. as nominee for DTC, and so long as this Bond is held in book-entry-only form Cede & Co. shall be considered the Registered Owner for all purposes hereof, including the payment of the principal of and interest on this Bond. Payment to DTC Participants shall be the responsibility of DTC. Payments by DTC Participants to Indirect Participants, and by DTC Participants and Indirect Participants to individual Beneficial Owners shall be the responsibility of DTC Participants and Indirect Participants and not of DTC, the Issuer or the Trustee.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen, and to be performed, precedent to and in the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the laws and Constitution of the State of Florida applicable thereto, including particularly the Act, and that the issuance of this Bond, and of the issue of the Series 2022A Bonds of which this Bond is one, is in full compliance with all constitutional and statutory limitations or provisions.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Trust Indenture until it shall have been authenticated by execution of the Trustee, or such other authenticating agent as may be appointed by the Trustee under the Trust Indenture, of the certificate of authentication endorsed hereon.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, Indigo East Community Development District has caused this Bond to be signed by the manual signature of the Chairperson of its Board of Supervisors and its seal to be imprinted hereon, and attested by the manual signature of the Secretary of its Board of Supervisors, all as of the date of original issuance specified above.

(SEAL)

**INDIGO EAST COMMUNITY
DEVELOPMENT DISTRICT**

By: _____
Chairperson, Board of Supervisors

Attest:

Secretary, Board of Supervisors

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds delivered pursuant to the within mentioned Trust Indenture.

Date of Authentication: September [___], 2022

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

By: _____
Authorized Officer

STATEMENT OF VALIDATION

This Bond is one of a series of Bonds which were validated by judgment of the Circuit Court of the Fifth Judicial Circuit of Florida, in and for Marion County, Florida, rendered on the 8th day of August, 2022.

By: _____
Chairperson, Board of Supervisors

Attest:

Secretary, Board of Supervisors

STATEMENT OF INSURANCE

Assured Guaranty Municipal Corp. (“AGM”), New York, New York, has delivered its municipal bond insurance policy (the “Policy”) with respect to the scheduled payments due of principal of and interest on this Bond to U.S. Bank Trust Company, National Association, Fort Lauderdale, Florida, or its successor, as paying agent for the Bonds (the “Paying Agent”). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from AGM or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of AGM as more fully set forth in the Policy.

ABBREVIATIONS

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	UNIF GIFT (TRAN)
TEN ENT -	as tenants by the entirety	MIN ACT _____ Custodian _____ (Cust) (Minor)
JT TEN -	as joint tenants with rights of survivorship and not as tenants in common	under Uniform Gifts (Transfer) to Minors Act _____ (State)

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

ASSIGNMENT AND TRANSFER

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

(please print or typewrite name and address of assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

Attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Signature Guarantee:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Please insert social security or other identifying number of Assignee.

SECTION 2

**INDIGO EAST COMMUNITY DEVELOPMENT DISTRICT
(MARION COUNTY, FLORIDA)**

\$[] Water and Sewer Revenue Refunding Bonds, Series 2022A

CONTRACT OF PURCHASE

[], 2022

District Board
Indigo East Community Development District
c/o District Manager
219 East Livingston Street
Orlando, Florida 32801

Ladies and Gentlemen:

The undersigned, as senior managing underwriter (the "Managing Underwriter") on behalf of itself and FMSbonds, Inc. (collectively with the Managing Underwriter, the "Underwriters"), offers to enter into this agreement with the Indigo East Community Development District (the "Issuer") which, upon your acceptance of this offer, will be binding upon you and upon us.

This offer is made subject to your acceptance of this agreement on or before [11:00 a.m.], Eastern Standard Time on [], 2022.

1. Purchase Price; Purpose. Upon the terms and conditions, and upon the basis of the respective representations, warranties and covenants set forth herein, the Underwriters hereby agree to purchase from the Issuer, and the Issuer hereby agrees to sell to the Underwriters all (but not less than all) of its \$[] Water and Sewer Revenue Refunding Bonds, Series 2022A (the "Series 2022A Bonds"). The date of the closing of the purchase and sale of the Series 2022A Bonds is [], 2022 (the "Closing"). The purchase price for the Series 2022A Bonds is equal to \$[] (representing the \$[] aggregate principal amount of the Series 2022A Bonds, less an underwriters' discount of \$[], [plus/less] [net] [original issue discount / premium]). The purchase price for the Series 2022A Bonds shall be paid by wire transfer in federal funds against delivery of the Series 2022A Bonds; provided, however the portion of the purchase price relating to the premiums to be paid for the municipal bond insurance policy (the "Series 2022A Credit Facility") to be issued by Assured Guaranty Municipal Corp. (the "Insurer") relating to the Series 2022A Bonds, and the Debt Service Reserve Insurance Policy to be issued

by the Insurer and deposited to the Series 2022A Debt Service Reserve Account established within the Debt Service Reserve Fund under the Series 2022A Indenture (hereinafter defined) (the "2022A Debt Service Reserve Insurance Policy") may be paid directly to the Insurer.

The Issuer is a local unit of special-purpose government of the State of Florida, created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), and established by Ordinance 02-26, duly enacted by the Board of County Commissioners of Marion County, Florida (the "County") on November 5, 2002 and effective November 15, 2002 (the "Ordinance"). The Issuer has entered into an Interlocal Agreement dated May 17, 2022 (the "Refunding Interlocal Agreement"), with Bay Laurel Center Community Development District (the "District"), whereby the Issuer has agreed to undertake the issuance of the Series 2022A Bonds on behalf of the District.

The Series 2022A Bonds are to be issued under and pursuant to the Act and a Trust Indenture dated as of October 1, 2011 (the "Trust Indenture"), by and between the District and U.S. Bank Trust Company, National Association (as successor in interest to U.S. Bank National Association), as trustee (the "Trustee"), as supplemented with respect to the Series 2022A Bonds by the Series 2022A Supplemental Trust Indenture dated as of September 1, 2022 (the "Series 2022A Supplemental Trust," together with the Trust Indenture, the "Series 2022A Indenture"), by and among the District, the Issuer and the Trustee.

The Series 2022A Bonds shall mature, bear interest, and be subject to redemption all as set forth on **Schedule A** hereto. Terms initially capitalized herein and not otherwise defined herein shall have the meaning set forth in the Series 2022A Indenture or in the Official Statement referred to below. A disclosure and truth-in-bonding statement with respect to Series 2022A Bonds, submitted in compliance with Section 218.385, Florida Statutes, is attached hereto as **Schedule B**.

The Underwriters' purchase and acceptance of the delivery of the entire aggregate principal amount of the Series 2022A Bonds shall be a condition to the Issuer's obligation to sell and deliver the Series 2022A Bonds to the Underwriters.

2. **Official Statement.** The Issuer will make available to the Underwriters the final Official Statement of the Issuer relating to the Series 2022A Bonds, dated the date hereof, in substantially the form approved by the Issuer (which, together with the cover page, inside cover page, all exhibits, appendices and statements included therein or attached thereto and any amendments and supplements that may be authorized for use with respect to the Series 2022A Bonds is herein called the "Official Statement"), executed on behalf of the Issuer by a duly authorized officer of the Issuer. The Issuer agrees that such Official Statement will be made available within seven (7) business days after its acceptance hereof, or one (1) business day prior to Closing, whichever is earlier, in such quantities as designated by the Managing Underwriter to allow compliance with Rule 15c2-12 under the Securities Exchange Act of 1934 ("Rule 15c2-12") and the Rules of the Municipal Securities Rulemaking Board. The Preliminary Official Statement of the Issuer relating to the Series 2022A Bonds dated September [____], 2022 (the "Preliminary Official Statement") was "deemed final" by the Issuer as of its date for purposes of Rule 15c2-12.

Delivery of such copies of the Official Statement shall constitute the Issuer's approval thereof and its authorization for the Official Statement, the information contained therein and the documents referred to therein to be used in connection with the public offering of the Series 2022A Bonds by the Underwriters. The Issuer hereby ratifies and consents to the use by the Underwriters on or before the date hereof, in conjunction with the public offering and pricing of the Series 2022A Bonds, of the Preliminary Official Statement.

The Issuer agrees with the Underwriters that if, during the period from the date hereof to and including the date which is twenty-five (25) days following the end of the underwriting period (as determined in accordance with the provisions below), any event shall occur that might or would cause the Official Statement to contain any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading, the Issuer shall notify the Managing Underwriter thereof, and if in the opinion of the Managing Underwriter such event requires a supplement to or an amendment of the Official Statement, the Issuer will prepare and furnish to the Underwriters a reasonable number of copies of any supplement or amendment to the Official Statement (in form and substance satisfactory to the Managing Underwriter) such that the Official Statement as so supplemented or amended will not, in the light of the circumstances when the Official Statement as so supplemented or amended is delivered to a purchaser of a Series 2022A Bond, cause any statement contained therein, in light of the circumstances under which they were made, to be misleading.

Unless otherwise notified in writing by the Managing Underwriter on or prior to the Date of Closing, the Issuer can assume that the "end of the underwriting period" for the Series 2022A Bonds for all purposes of Rule 15c2-12 under the Securities Exchange Act of 1934 is the Date of Closing. In the event such notice is given in writing by the Managing Underwriter, which notice shall state whether it relates to the Series 2022A Bonds, the Managing Underwriter agrees to notify the Issuer in writing following the occurrence of the "end of the underwriting period" as defined in Rule 15c2-12 for the Series 2022A Bonds identified in such notice. The "end of the underwriting period" as used herein shall mean the Date of Closing or such later date as to which notice is given by the Managing Underwriter in accordance with the preceding sentence.

3. Public Offering; Establishment of Issue Price. The Underwriters intend to make a public offering of all of the Series 2022A Bonds at prices not in excess of or yields lower than the public offering prices or yields set forth on the inside cover of the Official Statement; however, it may subsequently change such offering prices or yields without any requirement of prior notice. Subject to the foregoing, the Underwriters may offer and sell Series 2022A Bonds at prices lower than the public offering price stated on the cover of the Official Statement.

(a) The Managing Underwriter, on behalf of the Underwriters, agrees to assist the Issuer in establishing the issue price of the Series 2022A Bonds and shall execute and deliver to the Issuer at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit I, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Managing Underwriter, the Issuer and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2022A Bonds.

(b) [Except as otherwise set forth in Exhibit I attached hereto,] the Issuer will treat the first price at which 10% of each maturity of the Series 2022A Bonds (the "10% test") is sold to the public as the issue price of that maturity. At or promptly after the execution of this Contract of Purchase, the Managing Underwriter shall report to the Issuer the price or prices at which the Underwriters have sold to the public each maturity of Series 2022A Bonds. [If at that time the 10% test has not been satisfied as to any maturity of the Series 2022A Bonds, the Managing Underwriter agrees to promptly report to the Issuer the prices at which Series 2022A Bonds of that maturity have been sold by the Underwriters to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) all Series 2022A Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to the Series 2022A Bonds of that maturity, provided that, the Underwriters' reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Managing Underwriter, the Issuer or bond counsel.] For purposes of this Section, if Series 2022A Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Series 2022A Bonds.

(c) [The Managing Underwriter confirms that the Underwriters have offered the Series 2022A Bonds to the public on or before the date of this Contract of Purchase at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Exhibit I attached hereto, except as otherwise set forth therein. Exhibit I also sets forth, as of the date of this Contract of Purchase, the maturities, if any, of the Series 2022A Bonds for which the 10% test has not been satisfied and for which the Issuer and the Managing Underwriter, on behalf of the Underwriters, agree that the restrictions set forth in the next sentence shall apply, which will allow the Issuer to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Series 2022A Bonds, the Underwriters will neither offer nor sell unsold Series 2022A Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the Underwriters have sold at least 10% of that maturity of the Series 2022A Bonds to the public at a price that is no higher than the initial offering price to the public.

The Managing Underwriter will advise the Issuer promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Series 2022A Bonds to the public at a price that is no higher than the initial offering price to the public.]

(d) The Managing Underwriter confirms that:

- (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Managing Underwriter is a party) relating to the initial sale of the Series 2022A Bonds to the public, together

with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A) (i) to report the prices at which it sells to the public the unsold Series 2022A Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Series 2022A Bonds of that maturity allocated to it have been sold or it is notified by the Managing Underwriter that the 10% test has been satisfied as to the Series 2022A Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Managing Underwriter, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Managing Underwriter and as set forth in the related pricing wires, and

(B) to promptly notify the Managing Underwriter of any sales of Series 2022A Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Series 2022A Bonds to the public (each such term being used as defined below),

(C) to acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Managing Underwriter shall assume that each order submitted by the Underwriter, dealer or broker-dealer is a sale to the public.

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Series 2022A Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Series 2022A Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Series 2022A Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Series 2022A Bonds of that maturity allocated to it have been sold or it is notified by the Managing Underwriter or such Underwriter or dealer that the 10% test has been satisfied as to the Series 2022A Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Managing Underwriter or such Underwriter or dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Managing Underwriter or the Underwriter or the dealer and as set forth in the related pricing wires.

(e) The Issuer acknowledges that, in making the representations set forth in this section, the Managing Underwriter will rely on (i) the agreement of each Underwriter to comply with the requirements for establishing issue price of the Series 2022A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2022A Bonds, as set forth in an agreement among underwriters

and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Series 2022A Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Series 2022A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2022A Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Series 2022A Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Series 2022A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2022A Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Issuer further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the Series 2022A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2022A Bonds, and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Series 2022A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2022A Bonds.

(f) The Underwriters acknowledge that sales of any Series 2022A Bonds to any person that is a related party to an underwriter participating in the initial sale of the Series 2022A Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

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

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2022A Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2022A Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2022A Bonds to the public),

(iii) a purchaser of any of the Series 2022A Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships

(including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

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

4. Representations and Warranties of the Issuer. The Issuer hereby represents and warrants to the Underwriters that:

(a) The Issuer is an independent special district of the County, duly organized and established pursuant to the Act by the Ordinance and is a local unit of special-purpose government of the State of Florida (the "State"), is validly existing under the Constitution and laws of the State, and is authorized and empowered under the Act, the Ordinance and the other laws of the State to: (i) enter into the Refunding Interlocal Agreement and to secure the Series 2022A Bonds as provided in the Series 2022A Indenture and the Official Statement; (ii) execute, deliver and fulfill its obligations under this Contract of Purchase; and (iii) execute, deliver and fulfill its obligations under the Issuer Financing Documents (hereinafter defined). The District has taken all action required by the Act, the Ordinance and other applicable law as a condition precedent to its issuance of the Series 2022A Bonds.

(b) The Issuer has, and will, prior to Closing, have duly authorized all necessary action to be taken by it for: (i) the issuance and sale of the Series 2022A Bonds, upon the terms set forth herein and in the Series 2022A Indenture; (ii) the approval of the Official Statement and the application of the proceeds of the Series 2022A Bonds upon the terms set forth in the Series 2022A Indenture and as described in the Official Statement; and (iii) the execution, delivery and receipt of this Contract of Purchase, the Series 2022A Bonds, the Series 2022A Indenture, the Continuing Disclosure Certificate (the "Continuing Disclosure Certificate") to be entered into by the Issuer and the District, the Insurance Agreement to be entered into by the [Issuer] and the Insurer with respect to the Series 2022A Debt Service Reserve Insurance Policy (the "Insurance Agreement"), and the Refunding Interlocal Agreement (the Contract of Purchase, the Series 2022A Indenture, the Series 2022A Bonds, the Continuing Disclosure Certificate, the Insurance Agreement and the Refunding Interlocal Agreement being hereinafter collectively referred to as the "Issuer Financing Documents") and any and all such other agreements and documents as may be required to be executed, received and delivered by the Issuer in order to carry out, give effect to, and consummate the transactions contemplated by the Official Statement and the Issuer Financing Documents.

(c) The statements appearing in the Preliminary Official Statement, as of its date, and in the final Official Statement, as of its date and as of the Closing, under the headings "INTRODUCTION," "THE ISSUER," "CONTINUING DISCLOSURE" (with respect to the Issuer), "DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS" and "LITIGATION – The Issuer" were and are true and accurate and complete statements of the matters addressed therein and did not and do not contain an

untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances in which they were made, not misleading.

(d) The Series 2022A Bonds, when issued, delivered and paid for as provided herein and in the Series 2022A Indenture, will have been duly authorized, executed and issued and will constitute legal, valid and binding obligations of the Issuer entitled to the benefits of the Series 2022A Indenture. The Series 2022A Bonds will be payable from and secured by the Pledged Revenues, all as described in the Official Statement. This Contract of Purchase and the other Issuer Financing Documents have been or will be at Closing duly executed and delivered on behalf of, or validly assigned to, the Issuer and constitute legal, valid and binding obligations, enforceable against the Issuer in accordance with their respective terms.

(e) The Issuer will cause the proceeds from the sale of the Series 2022A Bonds to be applied as described in the Official Statement and as further specified in the Series 2022A Indenture and in certificates delivered at the Closing.

(f) There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending against or affecting the Issuer or, to the best knowledge of the undersigned Issuer representative, threatened against or affecting the Issuer contesting the due organization and valid existence of the Issuer or the validity of the Act or the Ordinance or wherein an unfavorable decision, ruling or finding would adversely affect: (i) the transactions contemplated hereby or by the Official Statement or the Issuer Financing Documents; or (ii) the validity, due authorization and execution of the Issuer Financing Documents or any agreement or instrument of which the Issuer is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby or by the Official Statement or by the Issuer Financing Documents.

(g) The Issuer is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State or the United States, or any agency or department of either, or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer or any of its properties or other assets is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument, in any such case to the extent that the same would have a material and adverse effect upon the issuance of the Series 2022A Bonds. The authorization, execution and delivery by the Issuer of the Official Statement and the Issuer Financing Documents and the other documents contemplated thereby and compliance by the Issuer with the provisions of such instruments, do not and will not conflict with or constitute on the part of the Issuer a breach of or a default under any provision of the Constitution of the State, the Act, the Ordinance or any existing law, court or administration regulation, decree or order or any agreement, resolution, mortgage, lease, lien or other instrument by which the Issuer or its properties are, or on the date of Closing will be, bound.

(h) All permits, consents, approvals or licenses, if any, and all notices to or filings with governmental authorities necessary for the consummation by the Issuer of the transactions described herein and in the Official Statement (other than such permits, consents, licenses, notices and filings, if any, as may be required under the securities or blue sky laws of any federal or state jurisdiction as to which no representation is made) required to be obtained or made have been made or are reasonably expected to be obtained or made in a timely fashion as required for the anticipated completion of such transactions.

(i) The Issuer agrees to cooperate with the Underwriters and their counsel in any endeavor to qualify the Series 2022A Bonds for offering and sale under the securities or blue sky laws of such jurisdictions of the United States as the Managing Underwriter may reasonably request and the Issuer hereby consents to the lawful use of the Official Statement by the Underwriters in obtaining such qualifications, provided, however, that in no event shall the Issuer be required to submit to service of process in any jurisdiction.

(j) The Issuer has not been and is not now in default in the payment of the principal of or the interest on any governmental security issued or guaranteed by it after December 31, 1975.

(k) The issuance of the Series 2022A Bonds was validated and confirmed by final judgment of the Circuit Court of the Fifth Judicial Circuit of Florida, in and for Marion County, Florida, rendered on August 8, 2022, and the time for taking an appeal from such judgments has expired without an appeal being taken;

(l) Except as expressly disclosed in the Official Statement, the Issuer has not previously entered into any continuing disclosure undertakings pursuant to Rule 15c2-12.

(m) Any certificate signed by any official of the Issuer and delivered to the Managing Underwriter in connection with the Series 2022A Bonds will be deemed to be a representation by the Issuer to the Underwriters as to the statements made therein.

(n) The Issuer acknowledges receipt from the Underwriters of information provided pursuant to Municipal Securities Rulemaking Board ("MSRB") Rule G-17.

5. Representations and Warranties of the District. The District hereby represents and warrants to the Underwriters that:

(a) The District is an independent special district of the County, duly organized and established pursuant to the Act by Ordinance No. 02-11, enacted by the Board of County Commissioners of the County on May 7, 2002, as amended (the "District Ordinance") and is a local unit of special-purpose government of the State, is validly existing under the Constitution and laws of the State, and is authorized and empowered under the Act, the District Ordinance and the other laws of the State to: (i) acquire, own and operate the Utilities System within and outside the boundaries of the District, as described in the Official Statement, and to undertake the refunding of the Refunded Bonds, as described in the Official Statement; (ii) secure the Series 2022A Bonds as provided in

the Series 2022A Indenture and the Official Statement; and (iii) execute, deliver and fulfill its obligations under the District Financing Documents (hereinafter defined). The District has taken all action required by the Act, the District Ordinance and other applicable law as a condition precedent to its operation of the Utilities System. The District has adopted a schedule of rates, fees and charges for use of the Utilities System as reflected in the Official Statement.

(c) The District has, and will, prior to Closing, have duly authorized all necessary action to be taken by it for: (i) the operation of the Utilities System; (ii) the refunding of the Refunded Bonds and the application of the proceeds of the Series 2022A Bonds upon the terms set forth in the Series 2022A Indenture and as described in the Official Statement; and (iii) the execution, delivery and receipt of this Contract of Purchase, the Series 2022A Indenture, the Continuing Disclosure Certificate, the Water and Sewer System and Reuse Water System Sublease/Option to Purchase Agreement by and among the District, On Top of the Word Communities, Inc. (the "Developer") and Sidney Colen & Associates, Ltd. (the "SCA") dated as of October 12, 2010 (the "Sublease/Option Agreement"), the Refunding Interlocal Agreement and the Interlocal Agreements (hereinafter defined) (the Contract of Purchase, the Series 2022A Indenture, the Continuing Disclosure Certificate, the Sublease/Option Agreement, the Refunding Interlocal Agreement and the Interlocal Agreements being hereinafter collectively referred to as the "District Financing Documents" and, together with the Issuer Financing Documents, the "Financing Documents") and any and all such other agreements and documents as may be required to be executed, received and delivered by the District in order to carry out, give effect to, and consummate the transactions contemplated by the Official Statement and the District Financing Documents. For purposes hereof, the term "Interlocal Agreements" shall mean, collectively, the interlocal agreements entered into between (i) the District and the County dated as of May 4, 2004, as amended and restated on July 19, 2016, and as further amended on March 1, 2022, (ii) the District and Candler Hills East Community Development District ("Candler CDD"), dated as of April 7, 2003 and (iii) the District and the Issuer, dated as of April 7, 2003, each as described in the Official Statement under the caption "THE DISTRICT – The Interlocal Agreements." The District Ordinance and the Interlocal Agreements are sufficient in scope and term to permit the District to own, operate and maintain the Utilities System and to serve land and customers within the Service Area through the final maturity date of the Series 2022A Bonds. The Interlocal Agreements are each in full force and effect and no event of default has occurred thereunder and is continuing.

(c) The statements appearing in the Preliminary Official Statement, as of its date, and in the final Official Statement, as of its date and as of the Closing, were and are true and accurate and complete statements of the matters addressed therein and the Preliminary Official Statement, as of its date, and the final Official Statement, as of its date and as of the Closing, did not and do not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances in which they were made, not misleading; provided however, except as set forth in the following sentence, no representation is made with respect to the information in the Preliminary Official Statement and the Official Statement under the captions "DESCRIPTION OF THE SERIES 2022A BONDS—Book-Entry Only System," "BOND

INSURANCE," "THE ISSUER," "LITIGATION – The Issuer," "CONTINUING DISCLOSURE" (with respect to the Issuer), "LITIGATION – The Issuer" and "UNDERWRITING" (with respect to information provided by the Underwriters). Nothing has come to the District's attention that would lead it to believe that the information in the Preliminary Official Statement, as of its date, and the final Official Statement, as of its date and as of Closing, under the captions "DESCRIPTION OF THE SERIES 2022A BONDS—Book-Entry Only System," "BOND INSURANCE," "THE ISSUER," "LITIGATION – The Issuer," "CONTINUING DISCLOSURE" (with respect to the Issuer), "LITIGATION – The Issuer" and "UNDERWRITING" (with respect to information provided by the Underwriters) contained or contains an untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in light of the circumstances in which they were made not misleading.

(d) The Series 2022A Bonds, when issued, delivered and paid for as provided herein and in the Series 2022A Indenture, will have been duly authorized, executed and issued and will constitute legal, valid and binding obligations of the District entitled to the benefits of the Series 2022A Indenture. The Series 2022A Bonds will be payable from and secured by the Pledged Revenues, all as described in the Official Statement. This Contract of Purchase and the other District Financing Documents have been or will be at Closing duly executed and delivered on behalf of, or validly assigned to, the District and constitute legal, valid and binding obligations, enforceable against the District in accordance with their respective terms. Other than the Refunded Bonds, which will be called for redemption on the date of issuance of the Series 2022A Bonds, and the District's Outstanding Taxable Water and Sewer Revenue Bonds, Series 2022B Bonds ("Series 2022B Bonds"), the District currently has no other obligations outstanding that are secured by and payable from the Pledged Revenues.

(e) The District will apply the proceeds from the sale of the Series 2022A Bonds as described in the Official Statement and as further specified in the Series 2022A Indenture and in certificates delivered at the Closing.

(f) There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending against or affecting the District or, to the best knowledge of the undersigned District representative, threatened against or affecting the District contesting the due organization and valid existence of the District or the validity of the Act or the District Ordinance or wherein an unfavorable decision, ruling or finding would adversely affect: (i) the transactions contemplated hereby or by the Official Statement or the District Financing Documents, including the ownership and operation of the Utilities System; (ii) the validity, due authorization and execution of the District Financing Documents or any agreement or instrument of which the District is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby or by the Official Statement or by the District Financing Documents; or (iii) the legality, validity or enforceability of the levy or collection of the rates and charges for use of the Utilities System; or (iv) the ownership or operation of the Utilities System or the provision of water, wastewater and reclaimed water services in the Service Area as described in the Official Statement.

(g) The District is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State or the United States, or any agency or department of either, or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or to which the District or any of its properties or other assets is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument, in any such case to the extent that the same would have a material and adverse effect upon the business or properties or financial condition of the District or the issuance of the Series 2022A Bonds. The authorization, execution and delivery by the District of the District Financing Documents and the other documents contemplated thereby and compliance by the District with the provisions of such instruments, do not and will not conflict with or constitute on the part of the District a breach of or a default under any provision of the Constitution of the State, the Act, the District Ordinance, the Interlocal Agreements or any existing law, court or administration regulation, decree or order or any agreement, resolution, mortgage, lease, lien or other instrument by which the District or its properties are, or on the date of Closing will be, bound.

(h) All permits, consents, approvals or licenses, if any, and all notices to or filings with governmental authorities necessary for the ownership and operation of the Utilities System, and the consummation by the District of the transactions described herein and in the Official Statement (other than such permits, consents, licenses, notices and filings, if any, as may be required under the securities or blue sky laws of any federal or state jurisdiction as to which no representation is made) required to be obtained or made have been made or are reasonably expected to be obtained or made in a timely fashion as required for the anticipated completion of such transactions. The District has obtained all licenses, permits, approvals, registrations, contracts, consents, approvals, qualifications and other authorizations necessary for the lawful conduct of the Utilities System wherever now conducted. The District has all necessary consents, approvals and agreements in place to enable the Utilities System to lawfully service the land and customers located and to be located in the Utilities System's Service Area as described in the Official Statement.

(i) The District has not issued, assumed or guaranteed any material indebtedness, incurred any material liabilities, direct or contingent, or entered into any contract or arrangement or any kind payable from the Pledged Revenues except as set forth in the Trust Indenture (with respect to the Series 2011 Bonds), the Series 2022B Indenture (with respect to the Series 2022B Bonds) and the Official Statement, nor has it pledged nor will it pledge the Pledged Revenues other than as set forth in the Trust Indenture (with respect to the Series 2011 Bonds), the Series 2022B Indenture (with respect to the Series 2022B Bonds) and the Official Statement.

(j) The District has good and marketable title to the Utilities System and all other real and personal property assets and fixtures relating to the Utilities System to be owned and operated by the District on the date of Closing as described in the Official Statement.

(k) Except as disclosed in the Preliminary Official Statement, there has been no event that materially adversely impacts the financial position, results of operations or condition, financial or otherwise, of the District and the District has not incurred liabilities that would materially adversely affect its ability to discharge its obligations under the Series 2022A Bonds. There has been no material adverse change in the properties, businesses, prospects, management or other condition of the District from that reflected in the Preliminary Official Statement.

(l) To the best knowledge of the District, (i) neither the Utilities System nor any of its operations is in violation of any applicable hazardous materials law or any restrictive covenant or deed restriction relating to environmental matters (recorded or otherwise), the violation of which is likely to have a material adverse effect on the condition (financial or otherwise), operations, business, assets or prospects of the Utilities System; (ii) without limitation of clause (i) above, the District is not in violation of any hazardous material law, or subject to any existing, pending or threatened investigation, inquiry or proceeding by any governmental authority or subject to any remedial obligations under any hazardous materials law, including, without limitation, past or present treatment, storage, disposal or release of any hazardous material into the environment, have been obtained or filed; (iii) all hazardous materials generated by the Utilities System have in the past been, and shall continue to be, transported, treated and disposed of only by carriers maintaining valid permits under all applicable hazardous materials laws and only at treatment, storage and disposal facilities that have been and are operating in compliance with such permits; and (iv) the District has taken all reasonable steps necessary to determine that no hazardous materials have been disposed of or otherwise released by it except in compliance with hazardous material laws. The District will in the future handle and dispose of all solid waste coming upon or generated from the Utilities System in compliance with all applicable laws and regulations.

(m) The statements of income and expense relating to the District and the Utilities System and all other information delivered by the District to the Managing Underwriter, on behalf of the Underwriters, are true, correct and complete as of the date hereof, and the financial projections, as well as the pro forma information relating to the Utilities System included in the Official Statement have been reviewed by the District and are mathematically correct, and the assumptions provided by the District on which such projections are based are reasonable. The District represents that the Utilities System can be operated at the current levels of service using the assumptions contained in the projections.

(n) Except as expressly disclosed in the Official Statement, the District has not in the last five years materially failed to comply with any continuing disclosure undertakings pursuant to Rule 15c2-12.

(o) Any certificate signed by any official of the District and delivered to the Managing Underwriter in connection with the Series 2022A Bonds will be deemed to be a representation by the District to the Underwriters as to the statements made therein.

(s) The District acknowledges receipt from the Underwriters of information provided pursuant to Municipal Securities Rulemaking Board ("MSRB") Rule G-17.

6. Closing. At [11:00 a.m.], Orlando, Florida time on [____], 2022 or at such time or on such other date as is mutually agreed by the Issuer and the Managing Underwriter (the "Closing"), the Issuer shall deliver, or cause to be delivered, the Series 2022A Bonds to the Managing Underwriter in definitive form, duly executed and authenticated by U.S. Bank Trust Company, National Association, Fort Lauderdale, Florida, as trustee, bond registrar and paying agent (the "Trustee"), together with the other documents hereafter mentioned. Subject to the terms and conditions hereof, the Managing Underwriter shall accept such delivery and pay the purchase price of the Series 2022A Bonds as set forth in Paragraph 1 hereof by Federal Funds wired to the Bond Registrar for the account of the Issuer. The Series 2022A Bonds shall be in the form of one certificate for each maturity registered in the name of CEDE & Co., or such other name as the Managing Underwriter has designated in writing at least three business days prior to the Closing, and shall be delivered through the FAST System of closing to the Trustee as agent for The Depository Trust Company, New York, New York. The Series 2022A Bonds shall be made available one business day prior to the Closing for purposes of inspection by the Managing Underwriter. Payment for the Series 2022A Bonds shall be made at such location as is mutually acceptable to the Issuer and the Managing Underwriter. Time shall be of the essence and delivery at the time and place specified or agreed upon pursuant to this Purchase Contract is a further condition of the obligations of the Underwriters hereunder.

7. Certain Conditions to Underwriters Obligations. The obligations of the Underwriters hereunder shall be subject to: (i) the performance by the Issuer and the District of their respective obligations to be performed hereunder; (ii) the accuracy in all material respects of the respective representations and warranties of the Issuer and the District herein as of the date hereof and as of the time of the Closing; and (iii) the following conditions:

(a) At the time of Closing: (i) the Ordinance, the District Ordinance and the resolution(s) approving the Series 2022A Indenture and other Financing Documents to which the Issuer and/or the District are parties, including as assignee(s), shall have been adopted and each of the Financing Documents shall have been executed and delivered in the form approved by the Managing Underwriter and shall be in full force and effect; (ii) the proceeds of the sale of the Series 2022A Bonds shall be applied as described in the Official Statement; and (iii) the Issuer and the District shall have duly adopted and there shall be in full force and effect such resolutions and agreements as, in the opinions of Greenberg Traurig P.A., Tallahassee, Florida ("Bond Counsel"), shall be necessary in connection with the transactions contemplated hereby;

(b) At the time of the Closing, there shall have been no material adverse change in the status of permits and approvals needed for the District's ownership and operation of the Utilities System;

(c) At or prior to the Closing, the Managing Underwriter shall have received two (2) executed copies of each of the following documents:

- (1) each of the fully executed Financing Documents;
- (2) the approving opinion, dated the date of Closing, of Bond Counsel addressed to the Issuer substantially in the form required by the Series 2022A Indenture and set forth as an Appendix to the Official Statement and an unqualified letter dated the date of Closing from Bond Counsel to the Managing Underwriter, on behalf of the Underwriters, and the Trustee stating that the Underwriters and the Trustee may rely on such opinion as through the same was addressed to them;
- (3) a supplemental opinion, dated the date of Closing, of Bond Counsel addressed to the Managing Underwriter, on behalf of the Underwriters, substantially in the form of Exhibit A hereto;
- (4) an opinion, dated the date of Closing, of Colen & Wagoner, P.A., Clearwater, Florida, counsel to the Issuer and the District, addressed to the Issuer, the District, the Trustee and the Managing Underwriter, on behalf of the Underwriters, substantially in the form of Exhibit B-1 hereto, and an opinion, dated the date of Closing, of Kutak Rock LLP, Tallahassee, Florida, Special District Counsel, addressed to the Issuer, the District, the Trustee and the Managing Underwriter, on behalf of the Underwriters, substantially in the form of Exhibit B-2 hereto;
- (5) an opinion, dated the date of Closing, of GrayRobinson, P.A., Tampa, Florida, counsel to the Underwriters, addressed to the Managing Underwriter, on behalf of the Underwriters, substantially in form and substance satisfactory to the Managing Underwriter;
- (6) an opinion, dated the date of Closing, of counsel to the Trustee substantially to the effect that such trust company or commercial bank is a duly organized trust company or commercial bank with necessary powers to serve as registrar, trustee and paying under the Series 2022A Indenture and that the Series 2022A Indenture is binding and enforceable against the Trustee, all in form and substance satisfactory to the Managing Underwriter;
- (7) a certificate of the Issuer dated the date of Closing, signed by a duly authorized officer of the Issuer, substantially in the form of Exhibit C;
- (8) a certificate of the District dated the date of Closing, signed by a duly authorized officer of the District, substantially in the form of Exhibit D;
- (9) the Official Statement executed on behalf of the Issuer by a duly authorized officer thereof;
- (10) all resolutions of the Issuer authorizing the execution of the Official Statement and the execution and delivery of the Issuer Financing Documents,

certified by the Clerk of the Issuer as having been duly adopted and being in full force and effect and as constituting all resolutions of the Issuer enacted with respect to the Series 2022A Bonds;

(11) all resolutions of the District (a) authorizing the execution and delivery of the District Financing Documents and (b) adopting the rates and charges for use of the Utilities System described in the Official Statement, in each case certified by the District Clerk as having been duly adopted and being in full force and effect;

(12) evidence of the recording of the Refunding Interlocal Agreement and the Interlocal Agreements in the records of the appropriate Clerk of Circuit Court if required by Chapter 163, Florida Statutes;

(13) all certificates, documents and opinions required as conditions precedent to the issuance of the Series 2022A Bonds as set forth in the Series 2022A Indenture;

(14) an executed original copy of the "Engineer's Report for Bond Financing" in the form attached as APPENDIX A to the Official Statement, together with a certificate of the Consulting Engineers in substantially the form attached as Exhibit E;

(15) an executed original copy of the "Financial Feasibility Report Regarding Water and Sewer Refunding and Revenue Bonds, Series 2022" in the form attached as APPENDIX B to the Official Statement, together with a certificate of the Feasibility Consultant in substantially the form attached as Exhibit F;

(16) a certificate of the Developer in substantially the form attached as Exhibit G and an opinion, dated the date of Closing, of Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A., Tallahassee, Florida, counsel to the Developer, addressed to the Issuer, the District and the Managing Underwriter, on behalf of the Underwriters, substantially in the form of Exhibit H hereto;

(17) the DTC Letter of Representations;

(18) other certificates of the Issuer and the District listed on a Closing memorandum to be approved by counsel to the Issuer and the District, Bond Counsel and the Underwriters and such additional legal opinions, certificates, proceedings, instruments and other documents as the Counsel to the Underwriters or Bond Counsel may reasonably request to evidence compliance by the Issuer and the District with legal requirements, the truth and accuracy, as of the time of Closing, of the respective representations of the Issuer and the District contained herein and the due performance or satisfaction by the Issuer and the District, as applicable, at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Issuer and the District, respectively;

(19) the final validation judgment and certificate of no appeal relating to the Series 2022A Bonds;

(20) evidence that the Series 2022A Bonds have been rated "[____]" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services, LLC ("S&P") based on the Series 2022A Credit Facility and that an underlying rating of "[____]" (stable outlook) has been assigned by S&P to the Series 2022A Bonds;

(21) Executed copies of the Issuer's certification as to arbitrage and other matters relative to the tax status of the Series 2022A Bonds under Section 148 of the Internal Revenue Code of 1986, as amended;

(22) Executed copy of Internal Revenue Service Form 8038-G relating to the Series 2022A Bonds;

(23) Verification Report of Robert Thomas CPA, LLC, in form and substance satisfactory to Bond Counsel;

(24) a certificate of the District certifying compliance with the terms of Section 3.02 of the Trust Indenture with respect to the issuance thereunder of the Series 2022A Bonds as a series of Additional Bonds issued solely for the purposes of refunding;

(25) the Series 2022A Bond Insurance Policy issued by the Insurer, together with a no default certificate of the Insurer, a certificate of the Insurer with respect to the Official Statement and a customary opinion of counsel to the Insurer with respect to the Series 2022A Bond Insurance Policy; and

(26) all such opinions, certificates, letters, agreements and documents will be in compliance with the provisions hereof only if they are satisfactory in form and substance to the Managing Underwriter and counsel to the Underwriters. The Issuer will furnish the Managing Underwriter with such conformed copies or photocopies of such opinions, certificates, letters, agreements and documents as the Managing Underwriter may reasonably request.

8. Termination. The Managing Underwriter, on behalf of the Underwriters, shall have the right to cancel its obligation to purchase the Series 2022A Bonds if between the date hereof and the Closing, (i) legislation shall be enacted or recommended to the State, the Congress or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives or favorably, reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, or a bill to amend the internal Revenue Code (which, if enacted, would take effect in whole or in part as of a date prior to the Closing) shall be filed in either House, or recommended for passage by the Congress by any joint

or conference committee thereof, or a decision by a court of the State, the United States or the United States Tax Court shall be rendered, or a ruling, regulation or statement by or on behalf of the treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed to be made, that in the opinion of the Managing Underwriter, materially adversely affects the market price or marketability of the Series 2022A Bonds, or the market price generally of obligations of the general character of the Series 2022A Bonds or the ability of the Underwriters to enforce contracts for the sale of the Series 2022A Bonds; or (ii) there shall exist an event which in the Managing Underwriter's judgment either (a) makes untrue or incorrect in any material respect any statement or information contained in the Official Statement, or (b) is not reflected in the Official Statement, but should be reflected therein in order to make the statements and information contained therein not misleading in any material respect, or (iii) there shall have occurred any outbreak or escalation of hostilities or declaration by the United States of a national emergency or war or any national or international calamity or crisis including a financial crisis, or a financial crises or a default with respect to the debt obligations of, or the institution of proceedings under the federal or the state bankruptcy laws by or against the State or any subdivision, agency or instrumentality of such State, the effect of which on the financial markets being such as, in the sole judgment of the Managing Underwriter, would materially adversely affect the market price or marketability of the Series 2022A Bonds or the ability of the Underwriters to enforce contracts for the sale of the Series 2022A Bonds, or (iv) there shall be in force a general suspension of trading on the New York Stock Exchange, or (v) a general banking moratorium shall have been declared by either Federal, Florida or New York authorities, or (vi) there shall have occurred since the date of this Contract of Purchase any material adverse change in the affairs of the Issuer or the District, except for changes which the Official Statement discloses may occur, or (vii) legislation shall be enacted or any action shall be taken by the Securities and Exchange Commission which, in the opinion of counsel for the Underwriters, has the effect of requiring the contemplated distribution of the Series 2022A Bonds to be registered under the Securities Act of 1933, as amended, or the Series 2022A Indenture or any other document executed in connection with the transactions contemplated hereof to be qualified under the Trust Indenture Act of 1939, as amended, or (viii) a stop order, ruling, regulation or official statement by or on behalf of the Securities and Exchange Commission shall be issued or made to the effect that the issuance, offering or sale of the Series 2022A Bonds, or of obligations of the general character of the Series 2022A Bonds as contemplated hereby, or the offering of any other obligation which may be represented by the Series 2022A Bonds is in violation of any provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, or the Trust Indenture Act of 1939, as amended, or (ix) any state blue sky or securities commission shall have withheld registration, exemption or clearance of the offering, and in the reasonable judgment of the Managing Underwriter the market for the Series 2022A Bonds is materially affected thereby; or (x) there shall have occurred, after the signing of this Contract of Purchase, a downgrading of the underlying rating of the Series 2022A Bonds by S&P below ["___"] ([_____] outlook); or (xi) there shall have occurred, after the signing of this Contract of Purchase a downgrading of the rating of the Insurer by S&P below ["___"] ([_____] outlook).

If the Issuer or the District shall be unable to satisfy any of their respective conditions to the obligations of the Underwriters contained in this Contract of Purchase and such condition is not waived by the Managing Underwriter, or if the obligations of the Underwriters to purchase and accept delivery of the Series 2022A Bonds pursuant to this Contract of Purchase shall terminate,

neither the Underwriters nor the Issuer shall be under further obligation hereunder and neither the Underwriters nor any other person shall have any further action for damages, specific performance or any other legal or equitable relief against the Issuer, provided that the respective obligations of the parties to pay expenses, as provided in Section 10 hereof, shall continue in full force and effect.

9. Particular Covenants. The Issuer and the District, as applicable, covenant and agree with the Underwriters as follows:

(a) The Issuer shall furnish or cause to be furnished to the Underwriters, without charge, as many copies of the Official Statement as the Managing Underwriter may reasonably request;

(b) Before revising, amending or supplementing the Official Statement, the Issuer shall furnish a copy of the revised Official Statement or such amendment or supplement to the Managing Underwriter. If, in the opinion of the Issuer and the Managing Underwriter, a supplement or amendment is required, the Issuer will supplement or amend the Official Statement in a form and a manner approved by the Managing Underwriter and counsel to the Underwriters; and

(c) The Issuer and the District agree to execute the Continuing Disclosure Certificate and a customary dissemination agent agreement with the entity to act as the dissemination agent thereunder. The Issuer and the District each represent and warrant that all resolutions and actions have been taken to authorize and empower the Issuer and the District, respectively, to execute these instruments and that upon execution thereof these instruments will be valid, binding and enforceable against the Issuer and the District, respectively.

10. Survival of Representations. All representations, warranties and agreements of the Issuer and the District hereunder shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Underwriters, and shall survive the delivery of the Series 2022A Bonds and any termination of this Contract of Purchase by the Underwriters pursuant to the terms hereof.

11. Payment of Expenses.

(a) The District agrees to pay, and the Underwriters shall not be obligated to pay, any expenses incident to the performance of the Issuer's and the District's obligations hereunder, including but not limited to: (i) the cost of the preparation and distribution of the Series 2022A Indenture and Resolution; (ii) the cost of the preparation and printing of the Preliminary Official Statement and the Official Statement and, subject to Section 2, any supplements thereto, together with a reasonable number of copies which the Managing Underwriter may request; (iii) the cost of registering the Series 2022A Bonds in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, which will act as securities depository for such Bonds; (iv) the fees and disbursements of the Trustee, counsel to the Issuer and the District, Bond Counsel, Underwriters' Counsel, the Issuer's and the District's employees and any other experts or consultants retained by the District and/or, including without limitation the Consulting Engineer

and the Feasibility Consultant; and (v) the fees associated with obtaining ratings on the Series 2022A Bonds. The District shall pay for expenses (which may be included in the expense component of the Underwriters' discount) incurred by the Underwriters on behalf of the Issuer's or the District's employees which are incidental to implementing this Contract of Purchase, including, but not limited to, meals, transportation and lodging of those employees.

(b) The Underwriters agree to pay (from the expense component of the Underwriters' discount) (i) all advertising expenses in connection with the public offering of the Series 2022A Bonds; (ii) the cost of preparing and printing the blue sky and legal investment memoranda, if any and filing fees in connection with the aforementioned blue sky and legal investment memoranda, if any, other than the costs of preparation of the Preliminary Official Statement and the Official Statement; and (iii) all other expenses incurred by the Underwriters in connection with their public offering and distribution of the Series 2022A Bonds.

12. Notices. Any notice or other communication to be given to the Issuer under this Contract of Purchase may be given by delivering same, in writing at its address set forth above, and any notice or other communication to be given to the Underwriters under this Contract of Purchase may be given to the Managing Underwriter, on behalf of the Underwriters, by delivering the same in writing to Jefferies LLC, 200 South Orange Avenue, Suite 1440, Orlando, Florida 32801, Attention: Michael Baldwin, Senior Vice President.

13. Parties. This Contract of Purchase is made solely for the benefit of the Issuer, the District and the Underwriters (including the successors or assigns of the Underwriters) and no other person shall acquire or have any right hereunder or by virtue hereof.

14. Relationship. The Issuer and the District each acknowledge and agree that (i) the purchase by, and sale to, the Underwriters of the Series 2022A Bonds pursuant to this Contract of Purchase is an arm's-length commercial transaction between the Issuer and the Underwriters, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriters are and have been acting solely as a principal and are not acting as the agent or fiduciary of the Issuer or the District, (iii) the Underwriters have not assumed an advisory or fiduciary responsibility in favor of the Issuer or the District with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters have provided other services or are currently providing other services to the Issuer or the District on other matters) and the Underwriters have no obligation to the Issuer or the District with respect to the offering contemplated hereby except the obligations expressly set forth in this Contract of Purchase, and (iv) the Issuer and the District have consulted their own legal, financial and other advisors to the extent they have deemed appropriate.

15. Governing Laws. This Contract of Purchase shall be governed by and construed in accordance with the laws of the State.

16. Severability. If any provision of this Contract of Purchase is, or is held to be invalid or unenforceable as applied in any particular case in any jurisdiction because it conflicts with any

provision(s) of any constitution, rule or public policy, statute or any other reason, such circumstances shall not make the provision in question invalid or unenforceable in any other case or circumstance, or make any other provision(s) or this Contract of Purchase invalid or unenforceable.

17. General. This Contract of Purchase shall constitute the entire agreement, and supersedes any and all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof. This Contract of Purchase may be executed in several counterparts, each of which shall be regarded as an original and all of which will constitute one and the same instrument. The section headings of this Contract of Purchase are for convenience of reference only and shall not affect its interpretation. This Contract of Purchase shall become effective upon your acceptance hereof.

[Remainder of page intentionally left blank.]

Very truly yours,

JEFFERIES LLC, as Managing Underwriter

By: _____

Title: _____

Accepted and agreed to as of
the date first above written:

INDIGO EAST COMMUNITY DEVELOPMENT DISTRICT

By: _____

Title: _____

This Contract of Purchase is joined in and consented to as of the date first above written by Bay Laurel Center Community Development District (the "District") with respect to (i) the representations and warranties made herein by the District and (ii) the agreements and obligations of the District set forth herein.

BAY LAUREL CENTER COMMUNITY DEVELOPMENT DISTRICT

By: _____

Title: _____

This Contract of Purchase is joined in and consented to as of the date first above written by On Top of the World Communities, L.L.C., as Developer (as defined in the Preliminary Official Statement) for purposes of affirming that the information contained in the Preliminary Official Statement, as of its date, and in the Official Statement as of the date hereof, under the captions "THE DEVELOPER" and "THE DEVELOPMENT" was and is true and correct in all material respects and did not and does not contain an untrue statement of a material fact or omit to state a fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

ON TOP OF THE WORLD COMMUNITIES, L.L.C.

By: _____
Guy Woolbright
Title: Chief Financial Officer

SCHEDULE A
TO THE CONTRACT OF PURCHASE

Principal Amounts, Interest Rates, Maturities, and Yields

\$[_____]

INDIGO EAST COMMUNITY DEVELOPMENT DISTRICT
(Marion County, Florida)
Water and Sewer Revenue Refunding Bonds, Series 2022A

Maturing September 1 <u>of the Year</u>	Principal <u>Amount</u>	Interest <u>Rates</u>	<u>Yield</u>
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Redemption Provisions

Optional Redemption

The Series 2022A Bonds maturing on or after September 1, 2032 may, at the option of the District on behalf of the Issuer, be called for redemption prior to maturity in whole at any time, or in part on any Interest Payment Date, on or after September 1, 2032 (less than all Series 2022A Bonds to be selected by lot), at a Redemption Price equal to the principal amount of Series 2022A Bonds to be redeemed, plus accrued interest from the most recent Interest Payment Date to the redemption date.

Mandatory Sinking Fund Redemption

The Series 2022A Bonds maturing on September 1, 20[] are subject to mandatory redemption in part by the Issuer by lot prior to their scheduled maturity from moneys in the Series 2022A Sinking Fund Subaccount established under the Series 2022A Indenture in satisfaction of applicable Sinking Fund Installments, at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption, on September 1 of the years and in the principal amounts set forth below:

<u>Year</u>	<u>Sinking Fund Installment</u>	<u>Year</u>	<u>Sinking Fund Installment</u>
	\$		\$
*			

*Final maturity.

Upon any redemption of Series 2022A Bonds other than in accordance with scheduled Sinking Fund Installments or upon any purchase of Series 2022A Bonds which are presented to the Trustee for cancellation, the District on behalf of the Issuer shall cause to be recalculated and delivered to the Trustee revised Sinking Fund Installments recalculated so as to amortize the Outstanding principal amount of Series 2022A Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Series 2022A Bonds. The Sinking Fund Installments as so recalculated shall not result in an increase in the aggregate of the Sinking Fund Installments for all Series 2022A Bonds in any year.

Extraordinary Mandatory Redemption from Insurance or Condemnation Proceeds

In the event that insurance or condemnation proceeds received pursuant to the Series 2022A Indenture, together with any available moneys of the District, are insufficient, as evidenced by a certificate of the Consulting Engineer provided to the Trustee, to repair, replace or restore the damaged, destroyed or condemned Utilities System and the District has no other funds available therefor, the Issuer at the direction of the District shall apply such insurance or condemnation proceeds to the extraordinary mandatory redemption of Bonds, including the Series 2022A Bonds,

to the extent of such funds, at a Redemption Price of par plus accrued interest to the date of redemption.

[Remainder of page intentionally left blank.]

SCHEDULE B

TO THE CONTRACT OF PURCHASE

Disclosure and Truth-In-Bonding Statement

[____], 2022

District Board
Indigo East Community Development District
Marion County, Florida

Re: \$[_____] Indigo East Community Development District (Marion County, Florida) Water and Sewer Revenue Refunding Bonds, Series 2022A (the "Series 2022A Bonds")

Ladies and Gentlemen:

Indigo East Community Development District (the "District") is proposing to cause the above-referenced Series 2022A Bonds to be issued. All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Contract of Purchase ("Bond Purchase Contract") dated of even date herewith between the Issuer and Jefferies LLC, as Managing Underwriter (the "Managing Underwriter") on behalf of itself and FMSbonds, Inc. (collectively, the "Underwriters"). The proceeds of the Series 2022A Bonds, together with other legally available funds, for the purposes of (i) refunding and retiring the Refunded Bonds and (ii) paying the costs of issuance of the Series 2022A Bonds, including the premiums for the Series 2022A Credit Facility and the Series 2022A Debt Service Reserve Insurance Policy. Capitalized terms used and not defined herein shall have the meanings assigned thereto in the Contract of Purchase.

The debt or obligation created by the Series 2022A Bonds is expected to be repaid over a period of approximately _____ (__) years and _____ (__) months. Based on the true interest cost of the Series 2022A Bonds of [_____] % per annum, the total interest paid over the life of the Series 2022A Bonds will be \$[_____]. The source of repayment or security for the Series 2022A Bonds is the Pledged Revenues. Authorizing the Series 2022A Bonds will result in an average of approximately \$[_____] of the Pledged Revenues not being available to finance other services of the District each year for the approximately _____ (__) year and _____ (__) month period through the maturity of the Series 2022A Bonds.

In addition, pursuant to the provisions of Sections 218.385(4), Florida Statutes, the following disclosure is made:

(a) The nature and estimated amounts of expenses to be incurred by the Underwriters in connection with the purchase of the Series 2022A Bonds are set forth in Exhibit A attached hereto.

(b) No person has entered into an understanding with the Underwriters, or to the knowledge of the Underwriters with the Issuer, for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the Issuer and the Underwriters for the purpose of influencing any transaction in the purchase of the Series 2022A Bonds.

(c) The underwriting spread (i.e., the difference between the price at which the Series 2022A Bonds will be initially offered to the public by the Underwriters and the price to be paid to the Issuer for the Series 2022A Bonds and including expenses set forth on Schedule A) will be \$[_____] or \$[____]/\$1,000 of the principal amount of the Series 2022A Bonds.

(d) The underwriting spread set forth in paragraph (c) above, includes an average takedown of \$[_____] or \$[____]/\$1,000 of the principal amount of the Series 2022A Bonds.

(e) No other fee, bonus or other compensation is estimated to be paid by the Underwriter in connection with the issuance of the Series 2022A Bonds to any person not regularly employed or retained by the Underwriters (including any "finder" as defined in Section 218.386(1)(a), Florida Statutes), except as specifically enumerated as expenses to be incurred by the Underwriters as set forth in Schedule A.

(f) The names and addresses of the Underwriters are:

Jefferies LLC
200 South Orange Avenue, Suite 1440
Orlando, Florida 32801

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

We understand that you do not require any further disclosure from the Underwriters pursuant to Section 218.385(4), Florida Statutes.

[Remainder of page intentionally left blank.]

Very truly yours,

JEFFERIES LLC, as Managing Underwriter

By: _____

Its: _____

Date: _____

UNDERWRITERS' EXPENSES

Expense	\$/1000	Amount
Average Takedown		
DTC Fee		
Day Loan		
iPreo (i.e. Order Entry, Wires, Taxes, etc.)		
iPrep Order Monitor		
NetRoadshow		
Underwriters' Out of Pocket Expenses		
CUSIP Fee		
<hr/>		
Total		
<hr/>		

EXHIBIT A
TO THE CONTRACT OF PURCHASE

[Form of Supplemental Opinion of Bond Counsel]

[____], 2022

Indigo East Community Development District
Marion County, Florida

Jefferies LLC, as Managing Underwriter
Orlando, Florida

Re: \$[_____] Indigo East Community Development District (Marion County, Florida) Water and Sewer Revenue Refunding Bonds, Series 2022A (the "Series 2022A Bonds")

Ladies and Gentlemen:

We have acted as Bond Counsel to Indigo East Community Development District (the "Issuer"), a community development district established and existing pursuant to Chapter 190 of the Florida Statutes, as amended (the "Act"), in connection with the issuance by the Issuer of the above-referenced Series 2022A Bonds. In such capacity, we have rendered our final approving opinion (the "Opinion") of even date herewith relating to the Series 2022A Bonds. The Series 2022A Bonds are secured pursuant to that certain Trust Indenture dated as of October 1, 2011, by and between Bay Laurel Center Community Development District (the "District") and U.S. Bank Trust Company, National Association (as successor to U.S. Bank National Association), as trustee (the "Trustee"), as supplemented with respect to the Series 2022A Bonds by the Series 2022A Supplemental Trust Indenture dated as of September 1, 2022 (collectively, the "Series 2022A Indenture"), by and among the Issuer, the District and the Trustee.

In connection with the rendering of the Opinion, we have reviewed records of the acts taken by the Issuer and the District in connection with the authorization, sale and issuance of the Series 2022A Bonds, were present at various meetings and participated in various discussions in connection therewith and have reviewed such other documents, records and other instruments as we deem necessary to deliver this opinion.

The Issuer has entered into a Contract of Purchase dated [____], 2022 (the "Purchase Contract"), for the purchase of the Series 2022A Bonds. Capitalized words used, but not defined, herein shall have the meanings ascribed thereto in the Purchase Contract or the Series 2022A Indenture.

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

1. The sale of the Series 2022A Bonds by the Issuer is not subject to the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), pursuant to the exemption provided in Section 3(a)(2) of the Securities Act.

2. The Series 2022A Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

3. The information in the Official Statement dated [____], 2022 under the captions "INTRODUCTION," "DESCRIPTION OF THE SERIES 2022A BONDS," and "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2022A BONDS" insofar as such statements constitute descriptions of the Series 2022A Bonds or the Series 2022A Indenture, are accurate as to the matters set forth or documents described therein (provided, we express no opinion with respect to any financial, statistical and demographic information and information under the caption "DESCRIPTION OF THE SERIES 2022A BONDS – Book-Entry Only System," and any other information in the Official Statement concerning DTC and its book-entry system of registration), and the information under the captions "TAX MATTERS" and "AGREEMENT BY THE STATE" insofar as such information purports to describe or summarize certain provisions of the laws of the State of Florida, and the provisions of the Internal revenue Code of 1986, as amended are correct as to matters of law.

This letter is furnished by us as Bond Counsel. No attorney-client relationship has existed or exists between our firm and Jefferies LLC and FMSbonds, Inc. (collectively, the "Underwriters") in connection with the Series 2022A Bonds or by virtue of this letter. This letter is delivered to the Underwriters solely for their benefit as Underwriters and may not be used, circulated, quoted or otherwise referred to or relied upon by the Underwriters for any other purpose or by any other person other than the addressee hereto. This letter is not intended to, and may not be, relied upon by holders of the Series 2022A Bonds.

Very truly yours,

Greenberg Traurig P.A.

EXHIBIT B-1

TO THE CONTRACT OF PURCHASE

[Form of Opinion of Counsel to the Issuer and the District]

[____], 2022

Indigo East Community Development District
Marion County, Florida

Bay Laurel Center Community Development District
Marion County, Florida

Jefferies LLC, as Managing Underwriter
Orlando, Florida

U.S. Bank Trust Company, National Association
Ft. Lauderdale, Florida

Re: \$[_____] Indigo East Community Development District (Marion County, Florida) Water and Sewer Revenue Refunding Bonds, Series 2022A (the "Series 2022A Bonds")

Ladies and Gentlemen:

This law firm serves as counsel to the Indigo East Community Development District (the "Issuer") and Bay Laurel Center Community Development District (the "District"), each of which is an independent special district established pursuant to the laws of the State of Florida, in connection with the sale by the Issuer on behalf of the District of the above-referenced Series 2022A Bonds. Unless otherwise expressly defined herein, capitalized terms used herein have the respective meanings assigned to them in the Contract of Purchase, dated [____], 2022 (the "Contract of Purchase") between the Issuer and Jefferies LLC, as Managing Underwriter (the "Managing Underwriter") on behalf of itself and FMSbonds, Inc. (collectively, the "Underwriters").

In our capacity as counsel to the Issuer and the District, we have examined such documents, and have made such examinations of law as we have deemed necessary or appropriate in rendering the opinions set forth below.

We have also attended various meetings of the Issuer and the District, and have participated in conferences, from time to time, with representatives of the Issuer and the District, the Managing Underwriter, Bond Counsel, counsel to the Underwriters, and the Developer relative to the

Preliminary Official Statement and the Official Statement and the related documents described below.

Based on the foregoing, we are of the opinion that:

1. To our knowledge, and based upon review of records of the Clerk of the Court for Marion County, Florida and based upon representations of the Issuer and the District, there is no action, suit or proceedings at law or in equity by or before any court or public board or body pending or threatened against the Issuer or the District (or any basis therefor):

(a) seeking to restrain or enjoin the issue or delivery of the Series 2022A Bonds or the application of the proceeds thereof;

(b) contesting or affecting the authority for the issuance of the Series 2022A Bonds or the validity or enforceability of the other Financing Documents, or the transactions contemplated thereunder or contesting the accuracy or completeness of the Preliminary Official Statement or Official Statement;

(c) contesting or affecting the establishment or existence, of the Issuer or any of its Board Members, officers or employees, property or conditions, financial or otherwise; or

(d) contesting or affecting the establishment or existence, of the District or any of its Board Members, officers or employees, property or conditions, financial or otherwise, or contesting or affecting any of the powers of the District or the ownership or operation of the Utilities System, the imposition of rates, fees and charges for the use of the Utilities System or the provision of water and wastewater services in the Service Area described in the Official Statement.

2. To our knowledge and based upon representations of the Issuer and the District, all permits, consents or licenses, and all notices to or filings with governmental authorities necessary for the consummation by the Issuer and the District of the transactions described in the Official Statement and contemplated by the Financing Documents, including the issuance of the Series 2022A Bonds, and for the District's ownership, operation and maintenance of the Utilities System, required to be obtained or have been obtained or made or there is no reason to believe they will not be obtained or made when required; provided that no opinion is expressed regarding the applicability of state Blue Sky laws or other tax or securities laws.

3. The District has the power and authority under the Act, the District Ordinance, the Interlocal Agreements between the District and Marion County, Florida, and the Other Districts and other applicable law to operate the Utilities System inside and outside its boundaries and provide potable water, wastewater and reclaimed water services inside and outside its boundaries. All necessary consents, approvals and agreements are in place to enable the Utilities System to lawfully service the land and customers within the Utilities System's Service Area as described in the Official Statement.

4. The District has duly executed and passed the resolutions and adopted the rule imposing such rates, fees and charges and such rules are legally enforceable and in full force and effect, as described in the Official Statement. The District has taken all action required by the Act and other applicable law as a condition precedent to its ownership and operation of the Utilities System. The District has good and marketable title to the Utilities System currently owned by the District, including all real and personal property assets and fixtures relating to the Utilities System, free and clear of all liens and encumbrances, other than those permitted by applicable law which do not impede the ownership, operation and maintenance of the Utilities System by the District. The District Ordinance and the Interlocal Agreements between the District and Marion County, Florida and the Other Districts are sufficient in scope and term to permit the District to own, operate and maintain the Utilities System and to serve land and customers within the Service Area through the final maturity date of the Series 2022A Bonds.

5. In the course of our representation of the Issuer and the District nothing has come to our attention that would lead us to believe that the statements contained in the Preliminary Official Statement, as of its date, or the Official Statement, as of its date and as of the date hereof, under the captions "THE DISTRICT," "THE ISSUER," "THE UTILITIES SYSTEM," "DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS" and "FINANCIAL STATEMENTS" contained or contains an untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

This opinion is solely for the benefit of the addressees, and this opinion may not be relied upon in any manner, nor used, by any other persons or entities. This opinion is predicated upon present laws, facts, circumstances and we assume no obligation to update this opinion if such laws, facts or circumstances change after the date hereof.

The opinions or statements expressed above are based solely on the laws of the State of Florida. Accordingly, we express no opinion, nor make any statement regarding the effect or application of the laws of any other state or jurisdiction.

Very truly yours,

Colen & Wagoner, P.A.

EXHIBIT B-2

TO THE CONTRACT OF PURCHASE

[Form of Opinion of Special District Counsel]

[____], 2022

Indigo East Community Development District
Marion County, Florida

Bay Laurel Center Community Development District
Marion County, Florida

Jefferies LLC, as Managing Underwriter
Orlando, Florida

U.S. Bank Trust Company, National Association
Ft. Lauderdale, Florida

Re: \$[_____] Indigo East Community Development District (Marion
County, Florida) Water and Sewer Revenue Refunding Bonds, Series 2022A (the
"Series 2022A Bonds")

Ladies and Gentlemen:

This law firm serves as Special District Counsel to the Indigo East Community Development District (the "Issuer") and Bay Laurel Center Community Development District (the "District"), each of which is an independent special district established pursuant to the laws of the State of Florida, in connection with the sale by the Issuer on behalf of the District of the above-referenced Series 2022A Bonds. Unless otherwise expressly defined herein, capitalized terms used herein have the respective meanings assigned to them in the Contract of Purchase, dated [____], 2022 (the "Contract of Purchase") between the Issuer and Jefferies LLC, as Managing Underwriter (the "Managing Underwriter") on behalf of itself and FMSbonds, Inc. (collectively, the "Underwriters").

In our capacity as Special District Counsel to the Issuer and the District, we have examined such documents, and have made such examinations of law as we have deemed necessary or appropriate in rendering the opinions set forth below.

We have also attended various meetings of the Issuer and the District, and have participated in conferences, from time to time, with representatives of the Issuer, the District, the Managing Underwriter, Bond Counsel, counsel to the Underwriters, and the Developer relative to the

Preliminary Official Statement and the Official Statement and the related documents described below.

Based on the foregoing, we are of the opinion that:

1. The Ordinance has been duly enacted by the County and is in full force and effect, and the Issuer has been duly established and validly exists as an independent special district and a local unit of special purpose government with such powers as set forth in the Act and the Ordinance with good, right and lawful authority to (a) enter into the Refunding Interlocal Agreement and secure the Series 2022A Bonds as provided in the Series 2022A Indenture, and (b) execute and deliver and perform its obligations under the Issuer Financing Documents.

2. The District Ordinance has been duly enacted by the County and is in full force and effect, and the District has been duly established and validly exists as an independent special district and a local unit of special purpose government with such powers as set forth in the Act and the District Ordinance with good, right and lawful authority to (a) own and operate the Utilities System, (b) pledge the Pledged Revenues as provided in the Series 2022A Indenture, (c) execute and deliver and perform its obligations under the District Financing Documents, and (d) impose and collect the rates, fees and charges for the Utilities System as described in the Official Statement.

3. The Board of the Issuer is the duly elected governing body of the Issuer, and the Issuer has full right, power and authority to:

(a) adopt the resolution(s) authorizing the issuance of the Series 2022A Bonds and the execution and delivery of the Issuer Financing Documents;

(b) execute, deliver and perform its obligations under the Issuer Financing Documents; and

(c) consummate the transactions contemplated by such Issuer Financing Documents, and the Issuer has complied with all provisions of applicable law in all matters relating to such transactions.

4. The Board of the District is the duly elected governing body of the District, and the District has full right, power and authority to:

(a) adopt the resolution(s) authorizing the execution and delivery of the District Financing Documents;

(b) execute, deliver and perform its obligations under the District Financing Documents; and

(c) consummate the transactions contemplated by such District Financing Documents, including the ownership and operation of the Utilities System and the

collection of Pledged Revenues, and the District has complied with all provisions of applicable law in all matters relating to such transactions.

5. The Issuer has duly authorized the execution, delivery and lawful distribution of the Preliminary Official Statement and final Official Statement.

6. The Issuer and the District have duly authorized all necessary action to be taken by them for:

(a) the issuance and sale of the Series 2022A Bonds upon the terms set forth in the Contract of Purchase, the Official Statement and the Series 2022A Indenture;

(b) the ratification of the Preliminary Official Statement, the approval of the Official Statement and the signing of the Official Statement by a duly authorized officer of the Issuer and the application of the proceeds of the Series 2022A Bonds upon the terms set forth in the Series 2022A Indenture; and

(c) the execution, delivery and receipt of the Financing Documents and any and all such other agreements and documents as may be required to be executed, delivered and received by the Issuer or the District, as applicable, in order to carry out, give effect to, and consummate the transactions contemplated by the Financing Documents, the Series 2022A Bonds, the Series 2022A Indenture and the Official Statement.

7. Assuming the due authorization, execution and delivery of such instruments by the other parties thereto and their authority to perform such instruments, the Issuer Financing Documents and the District Financing Documents (in each case excluding the Series 2022A Bonds, which are addressed in paragraph 9 below) will constitute legal, valid and binding obligations of the Issuer and the District, respectively, enforceable in accordance with their respective terms (except to the extent that such enforceability may be limited by bankruptcy, insolvency, reorganization and similar laws affecting creditors, rights and generally and general principles of equity).

8. The adoption of the resolution(s) approving the Financing Documents and the execution and delivery by the Issuer of the Official Statement and the authorization of the distribution thereof by the Underwriters, the execution and delivery by the Issuer of the Series 2022A Bonds and the other Financing Documents and the consummation of the transactions described in all of the foregoing instruments, did not at the time of such adoption, authorization, execution, delivery or distribution, do not on the date hereof and will not at the time of such consummation, conflict with or constitute on the part of the Issuer or the District a breach or violation of the terms and provisions of, or constitute a default under:

(a) any existing constitution, laws, court or administration rule or regulations, to which it is subject, or any decree, order or judgment to which it is a party or by which it is bound in force and effect on the date hereof; and

(b) the Ordinance, as the Charter of the Issuer, or the District Ordinance, as the Charter of the District, as applicable, and will not result in the creation or imposition of any encumbrance upon any of the properties or assets of the Issuer or the District other than those contemplated by the Series 2022A Indenture.

9. The Series 2022A Bonds have been duly authorized, executed and issued and constitute legal, valid and binding obligations of the Issuer entitled to the benefits of the Series 2022A Indenture.

10. To our knowledge, based upon representations of the Issuer and the District, the Issuer and the District are not in default under the terms and provisions of the Financing Documents. In addition, the Issuer and the District are not in default under any other agreement, indenture, mortgage, lease, deed of trust, note or other instrument to which the Issuer or the District, respectively, are subject or by which they or their respective properties are or may be bound, which default would have a material adverse effect on their condition, financial or otherwise.

11. To our knowledge, and based upon review of records of the Clerk of the Court for Marion County, Florida and based upon representations of the Issuer and the District, there is no action, suit or proceedings at law or in equity by or before any court or public board or body pending or threatened against the Issuer or the District (or any basis therefor):

(a) seeking to restrain or enjoin the issue or delivery of the Series 2022A Bonds or the application of the proceeds thereof;

(b) contesting or affecting the authority for the issuance of the Series 2022A Bonds or the validity or enforceability of the other Financing Documents, or the transactions contemplated thereunder or contesting the accuracy or completeness of the Preliminary Official Statement or Official Statement;

(c) contesting or affecting the establishment or existence, of the Issuer or any of its Board Members, officers or employees, property or conditions, financial or otherwise; or

(c) contesting or affecting the establishment or existence, of the District or any of its Board Members, officers or employees, property or conditions, financial or otherwise, or contesting or affecting any of the powers of the District or the ownership or operation of the Utilities System, the imposition of rates, fees and charges for the use of the Utilities System or the provision of water and wastewater services in the Service Area described in the Official Statement.

12. In the course of our representation of the Issuer and the District, nothing has come to our attention that would lead us to believe that the statements contained in the Preliminary Official Statement, as of its date, or the Official Statement, as of its date and as of the date hereof, under the captions "INTRODUCTION" (as it relates to the Issuer or the District), "PLAN OF REFINANCE," "ESTIMATED SOURCES AND USES OF THE SERIES 2022A BOND

PROCEEDS," "THE DISTRICT," "THE ISSUER" (other than the information under the subcaption "–The District Manager and Other Consultants," as to which no opinion is expressed), "AGREEMENT BY THE STATE," "LEGALITY FOR INVESTMENT," "CONTINUING DISCLOSURE" (as to the Issuer and the District), "ENFORCEABILITY OF REMEDIES," "LITIGATION" and "VALIDATION" contained or contains an untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

This opinion is solely for the benefit of the addressees, and this opinion may not be relied upon in any manner, nor used, by any other persons or entities. This opinion is predicated upon present laws, facts, circumstances and we assume no obligation to update this opinion if such laws, facts or circumstances change after the date hereof.

The opinions or statements expressed above are based solely on the laws of the State of Florida. Accordingly, we express no opinion, nor make any statement regarding the effect or application of the laws of any other state or jurisdiction.

Very truly yours,

KUTAK ROCK LLP

EXHIBIT C
TO THE CONTRACT OF PURCHASE

[Form of Issuer Certificate]

[____], 2022

Jefferies LLC, as Managing Underwriter
Orlando, Florida

Re: \$[_____] Indigo East Community Development District (Marion County, Florida) Water and Sewer Revenue Refunding Bonds, Series 2022A (the "Series 2022A Bonds")

Ladies and Gentlemen:

The undersigned Chair of the Board of Supervisors of the Indigo East Community Development District (the "Issuer") hereby makes the following certifications in connection with the sale by the Issuer of the above-captioned Series 2022A Bonds. Unless otherwise expressly defined herein, capitalized terms used herein have the respective meanings assigned to them in the Contract of Purchase dated [____], 2022 (the "Contract of Purchase") between the Issuer and Jefferies LLC, as Managing Underwriter on behalf of itself and FMSbonds, Inc., as the underwriters of the Series 2022A Bonds.

1. The representations and warranties of the Issuer in the Contract of Purchase are true and correct in all material respects as of the date of the Contract of Purchase and as of the date hereof, and all obligations to be performed by the Issuer pursuant to the Contract of Purchase on or prior to the date hereof have been performed.

2. No litigation or other proceedings are pending or, to the knowledge of the Issuer, threatened in or before any agency, court or tribunal, state or federal, (A) restraining or enjoining or seeking to restrain or enjoin the issuance, sale, execution or delivery of any of the Series 2022A Bonds or the pledge of the Pledged Revenues pledged to the payment of the principal of and premium, if any, and interest on the Series 2022A Bonds; (B) questioning or affecting the validity of any provision of the Issuer Financing Documents or any agreement or instrument to which the Issuer is a party and which is used or contemplated for use in the consummation of the transactions contemplated by the Issuer Financing Documents or by the Official Statement; (C) questioning or effecting the validity of any of the proceedings or the authority for the authorization, sale, execution or validity of any of the proceedings or the authority for the authorization sale, execution or delivery of the Series 2022A Bonds; (D) questioning or affecting the organization or existence of the Issuer or the title of any of its officers to their respective offices or any powers of the Issuer under the laws of the State of Florida; or (E) contesting the accuracy or completeness of the Preliminary Official Statement or the Official Statement or any amendment or supplement thereto.

3. The statements appearing in the Preliminary Official Statement, as of its date, and in the final Official Statement, as of its date and as of the Closing, under the headings "INTRODUCTION," "THE ISSUER," "CONTINUING DISCLOSURE" (with respect to the Issuer), "DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS" and "LITIGATION – The Issuer" were and are true and accurate and complete statements of the matters addressed therein and did not and do not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances in which they were made, not misleading.

4. Upon authentication and delivery of the Series 2022A Bonds, the Issuer will not be in default in the performance of the terms and provisions of the Series 2022A Indenture and the Issuer Financing Documents.

**INDIGO EAST COMMUNITY
DEVELOPMENT DISTRICT**

By: _____

Name: _____

Title: _____

EXHIBIT D
TO THE CONTRACT OF PURCHASE

[Form of District Certificate]

[____], 2022

Jefferies LLC, as Managing Underwriter
Orlando, Florida

Re: \$[_____] Indigo East Community Development District (Marion County, Florida) Water and Sewer Revenue Refunding Bonds, Series 2022A (the "Series 2022A Bonds")

Ladies and Gentlemen:

The undersigned Chair of the Board of Supervisors of the Bay Laurel Center Community Development District (the "District") hereby makes the following certifications in connection with the sale by Indigo East Community Development District (the "Issuer") on behalf of the District of the above-captioned Series 2022A Bonds. Unless otherwise expressly defined herein, capitalized terms used herein have the respective meanings assigned to them in the Contract of Purchase dated [____], 2022 (the "Contract of Purchase") between the District and Jefferies LLC, as Managing Underwriter on behalf of itself and FMSbonds, Inc., as the underwriters of the Series 2022A Bonds, and joined into by the District.

1. No material and adverse change has occurred in the financial position of the District or results of operations of the District since the date of the Preliminary Official Statement.
2. The District has not incurred any material liabilities other than as set forth in or contemplated by the Official Statement or which are necessary to be disclosed therein in order to make the statements and information therein not misleading as of the date hereof.
3. The representations and warranties of the District in the Contract of Purchase are true and correct in all material respects as of the date of the Contract of Purchase and as of the date hereof, and all obligations to be performed by the District pursuant to the Contract of Purchase on or prior to the date hereof have been performed.
4. No litigation or other proceedings are pending or, to the knowledge of the District, threatened in or before any agency, court or tribunal, state or federal, (A) restraining or enjoining or seeking to restrain or enjoin the issuance, sale, execution or delivery of any of the Series 2022A Bonds or the imposition or collection of the Pledged Revenues pledged to the payment of the principal of and premium, if any, and interest on the Series 2022A Bonds; (B) questioning or affecting the validity of any provision of the District Financing Documents or any agreement or instrument to which the District is a party and which is used or contemplated for use in the

consummation of the transactions contemplated by the District Financing Documents or by the Official Statement; (C) questioning or effecting the validity of any of the proceedings or the authority for the authorization, sale, execution or validity of any of the proceedings or the authority for the authorization sale, execution or delivery of the Series 2022A Bonds; (D) questioning or affecting the organization or existence of the District or the title of any of its officers to their respective offices or any powers of the District under the laws of the State of Florida; (E) contesting or affecting the levy or collection of the rates and charges for use of the Utilities System or the ability of the District to own and operate the Utilities System; or (F) contesting the accuracy or completeness of the Preliminary Official Statement or the Official Statement or any amendment or supplement thereto.

5. The statements appearing in the Preliminary Official Statement, as of its date, and in the final Official Statement, as of its date and as of the date hereof, were and are true and accurate and complete statements of the matters addressed therein and the Preliminary Official Statement, as of its date, and the final Official Statement, as of its date and as of the date hereof, did not and do not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances in which they were made, not misleading; provided however, except as set forth in the following sentence, no representation is made with respect to the information in the Preliminary Official Statement and the Official Statement under the captions "DESCRIPTION OF THE SERIES 2022A BONDS—Book-Entry Only System," "BOND INSURANCE," "THE ISSUER," "LITIGATION – The Issuer," "CONTINUING DISCLOSURE" (with respect to the Issuer), "LITIGATION – The Issuer" and "UNDERWRITING" (with respect to information provided by the Underwriters). Nothing has come to the District's attention that would lead it to believe that the information in the Preliminary Official Statement, as of its date, and the final Official Statement, as of its date and as of the date hereof, under the captions "DESCRIPTION OF THE SERIES 2022A BONDS—Book-Entry Only System," "BOND INSURANCE," "THE ISSUER," "LITIGATION – The Issuer," "CONTINUING DISCLOSURE" (with respect to the Issuer), "LITIGATION – The Issuer" and "UNDERWRITING" (with respect to information provided by the Underwriters) contained or contain an untrue statement of a material fact or omitted or omit to state a material fact necessary to make the statements therein, in light of the circumstances in which they were made not misleading.

6. Upon authentication and delivery of the Series 2022A Bonds, the District will not be in default in the performance of the terms and provisions of the Series 2022A Indenture and the District Financing Documents.

7. The Pledged Revenues are not as of the date of this Certificate and will not in the future be pledged, in whole or in part, directly or indirectly, except as otherwise provided in the Trust Indenture, as supplemented with respect to the District's Outstanding Taxable Water and Sewer Revenue Bonds, Series 2022B (the "Series 2022B Bonds"), and the Series 2022A Indenture (with respect to the Series 2022A Bonds) for the benefit of any creditor of the District or any other person other than the Owner of the Series 2022B Bonds and the Series 2022A Bonds, respectively.

**INDIGO EAST COMMUNITY
DEVELOPMENT DISTRICT**

By: _____

Name: _____

Title: _____

EXHIBIT E
TO THE CONTRACT OF PURCHASE

Certificate of the Consulting Engineers

[____], 2022

Indigo East Community Development District
Marion County, Florida

Bay Laurel Center Community Development District
Marion County, Florida

Jefferies LLC, as Managing Underwriter
Orlando, Florida

Re: \$[_____] Indigo East Community Development District (Marion
County, Florida) Water and Sewer Revenue Refunding Bonds, Series 2022A (the
"Series 2022A Bonds")

Ladies and Gentlemen:

The undersigned officer of Kimley-Horn and Associates, Inc. (the "Engineer"), hereby certifies to Indigo East Community Development District (the "Issuer") and to Bay Laurel Center Community Development District (the "District") in connection with the above-referenced Series 2022A Bonds that:

1. The "Engineer's Report for Bond Financing" dated April 26, 2022 (the "Report") prepared by the Engineer is included as APPENDIX A to the Preliminary Official Statement dated [____], 2022 (the "POS") and the final Official Statement dated [____], 2022 relating to the Series 2022A Bonds (the "OS"), and a description of the Report and certain other information relating to the Utilities System are included in the POS and the OS under the caption "THE UTILITY SYSTEM." The Report and said information, as applicable, are true and correct in all material respects and did not and do not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

2. The Report was prepared in accordance with generally accepted guidelines for the engineering industry.

3. The Utilities System described in the POS, as of its date, and OS, as of its date and as of the date hereof, conforms in all material respects with the Report.

4. The District has all permits and licenses necessary to operate the Utilities System (as defined in the OS).

5. The Utilities System is currently in compliance with all FDEP permits and conditions. The water use of the Utilities System is in compliance with the total water use allocation permitted by the WUP and SWFWMD and the Utilities System is in compliance with all other state and local permits, conditions and requests.

6. The Engineer consents to the inclusion of the Report as APPENDIX A to the POS and OS, respectively, and to the references to the Engineer therein.

**KIMLEY-HORN AND ASSOCIATES,
INC.**

By: _____
Title: _____

EXHIBIT F

TO THE CONTRACT OF PURCHASE

Certificate of the Feasibility Consultant

[____], 2022

Indigo East Community Development District
Marion County, Florida

Bay Laurel Center Community Development District
Marion County, Florida

Jefferies LLC, as Managing Underwriter
Orlando, Florida

Re: \$[_____] Indigo East Community Development District (Marion County, Florida) Water and Sewer Revenue Refunding Bonds, Series 2022A (the "Series 2022A Bonds")

Ladies and Gentlemen:

The undersigned officer of Willdan Financial Services (the "Consultant") hereby certifies to Indigo East Community Development District (the "Issuer") and Bay Laurel Center Community Development District (the "District") in connection with the above-referenced Series 2022A Bonds that:

1. The "Financial Feasibility Report Regarding Water and Sewer Refunding Revenue Bonds, Series 2022" dated [April 27], 2022[, as amended] (the "Report") prepared by the Consultant is included as APPENDIX B to the Preliminary Official Statement dated [____], 2022 (the "POS") and the final Official Statement dated [____], 2022 relating to the Series 2022A Bonds (the "OS"), and a description of the Report and certain other information relating to the Utilities System are included in the POS and the OS under the caption "THE UTILITY SYSTEM." The Report and said information, as applicable, are true and correct in all material respects and did not and do not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

2. The Report was prepared in accordance with generally accepted financial forecasting guidelines for the utility industry. The Consultant believes the assumptions used in compiling the Report are reasonable.

3. The Consultant consents to the inclusion of the Report as APPENDIX B to the POS and OS, respectively, and to the references to the Consultant therein.

WILLDAN FINANCIAL SERVICES

By: _____

Title: _____

EXHIBIT G
TO THE CONTRACT OF PURCHASE

Certificate of the Developer

[____], 2022

Indigo East Community Development District
Marion County, Florida

Bay Laurel Center Community Development District
Marion County, Florida

Jefferies LLC, as Managing Underwriter
Orlando, Florida

Re: \$[_____] Indigo East Community Development District (Marion County, Florida) Water and Sewer Revenue Refunding Bonds, Series 2022A (the "Series 2022A Bonds")

Ladies and Gentlemen:

The undersigned officer of On Top of the World Communities, L.L.C., a Florida limited liability company (the "Developer"), hereby certifies to Indigo East Community Development District (the "Issuer"), Bay Laurel Center Community Development District (the "District") and Jefferies LLC, as Managing Underwriter on behalf of itself and FMSbonds, Inc., as the underwriters of the Series 2022A Bonds, in connection with the issuance, sale and delivery by the Issuer on behalf of the District of the above-referenced Series 2022A Bonds that the information contained: (a) in the Preliminary Official Statement dated [____], 2022; and (b) in the Official Statement dated [____], 2022, as of its date and as of the date hereof, under the captions "THE DEVELOPER" and "THE DEVELOPMENT" is true and correct in all material respects and did not and does not contain an untrue statement of a material fact or omit to state a fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

ON TOP OF THE WORLD COMMUNITIES,
L.L.C.

By: _____
Guy Woolbright, Chief Financial Officer

Date: [____], 2022

EXHIBIT H
TO THE CONTRACT OF PURCHASE

[Form of Opinion of Counsel to the Developer]

[____], 2022

Indigo East Community Development District
Marion County, Florida

Bay Laurel Center Community Development District
Marion County, Florida

Jefferies LLC, as Managing Underwriter
Orlando, Florida

Re: \$[_____] Indigo East Community Development District (Marion County, Florida) Water and Sewer Revenue Refunding Bonds, Series 2022A (the "Series 2022A Bonds")

Ladies and Gentlemen:

This law firm serves as counsel to On Top of the World Communities, L.L.C., a Florida limited liability company (the "Developer"), which is the developer of a community known as "On Top of the World" located in Marion County, Florida. This opinion is provided in connection with the sale and issuance by Indigo East Community Development District (the "Issuer"), an independent special district established pursuant to the laws of the State of Florida (the "State"), of the above-referenced Series 2022A Bonds on behalf of Bay Laurel Center Community Development District (the "District") (such issuance being referred to herein as the "Bond Transaction"), as described in:

- (a) The Preliminary Official Statement of the District relating to the Series 2022A Bonds dated [____], 2022 (the "Preliminary Official Statement");
- (b) The final Official Statement of the District relating to the Series 2022A Bonds, dated [____], 2022 (which, together with the cover page, inside cover page, all exhibits, appendices and statements included therein or attached thereto and any amendments and supplements that may be authorized for use with respect to the Series 2022A Bonds is herein called the "Official Statement"); and
- (c) The Certificate of the Developer, dated of even date herewith and delivered to the Issuer, the District and Jefferies LLC, as Managing Underwriter (the "Managing

Underwriter") on behalf of on behalf of itself and FMSbonds, Inc. (collectively, the "Underwriters") (the "Certificate of Developer").

Further, we have reviewed the following organizational documents (collectively, the "Developer Organizational Documents"):

- (a) Articles of Conversion for "Other Business Entity" Into Florida Limited Liability Company, filed with the Florida Secretary of State on May 1, 2019 as Document No. L19000111783, including the Articles of Organization attached thereto, has amended from time to time;
- (b) Second Restated and Amended Operating Agreement of On Top of the World Communities, L.L.C., a Florida limited liability company, dated May 2, 2019;
- (c) Written Consent of the Sole Manager of On Top of the World Communities, L.L.C., a Florida limited liability company, dated June 24, 2019;
- (d) Minutes of Meeting and Written Consent of the Members of On Top of the World Communities, L.L.C., a Florida limited liability company, dated December 31, 2019;
- (e) Written Consent of the Sole Manager of On Top of the World Communities, L.L.C., a Florida limited liability company, as of [____], 2022; and
- (f) Certificate of Active Status, dated [____], 2022, issued by the Florida Secretary of State as to On Top of the World Communities, L.L.C., a Florida limited liability company.

The opinions expressed herein are subject to the following assumptions, limitations, and qualifications:

A. This opinion letter has been prepared and is to be construed in accordance with the Report on Third-Party Legal Opinion Customary Practice in Florida, dated December 3, 2011, and its First Supplement, dated July 24, 2021 (collectively, the "Report"). The Report is incorporated by reference into this opinion letter.

B. In basing our opinions and other matters set forth herein on "our knowledge," the words "our knowledge" signify that, in the course of our role as counsel for the Developer in the Bond Transaction and in matters with respect to which we have been engaged by the Developer as counsel, no information has come to the attention of the attorneys actually involved in such representation that would give us actual knowledge or actual notice that any such opinions or other matters are not accurate or that any of the foregoing documents, certificates, reports, and information on which we have relied are not accurate and complete and does not include constructive knowledge of matters or information. Except as otherwise stated herein, we have undertaken no independent investigation or verification of such matters. Except as stated herein, the phrases do not imply that the attorney signing this opinion or this firm has undertaken any independent investigation within the firm, with the Developer, persons acting on behalf of the

Developer or with any other persons to determine the existence or absence of any facts or circumstances, and no inference should be drawn merely from our past and current representation of the client. Stating that a matter is "to our knowledge" means only that the attorneys of the firm who have given substantive attention to the transaction do not have a current recollection of any fact or circumstance contradicting the statement and should not imply that we know the statement is correct.

C. We have assumed the accuracy and truthfulness of all public records and of all certifications, documents, and other proceedings examined by us that have been executed or certified by the public officials acting within the scope of their official capacities and have not verified the accuracy or truthfulness thereof.

D. We have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified, conformed or photostatic copies, and the legal capacity of all natural persons. As to documents signed by the Developer, we do not have any knowledge of, and are not aware of any facts indicating that, the Developer's signatures are not genuine.

E. Except as stated herein, as to any fact relevant to this opinion, we have relied solely upon representations of the Developer in the Certificate of Developer. Except as stated herein, we have not undertaken any independent investigation to determine the existence or absence of any such facts, and no inference as our knowledge of the existence of such facts should be drawn from the fact of our limited representation of the Developer in connection with the Bond Transaction.

F. The opinions expressed herein relate solely to Florida law as now existing. We express no opinion with regard to any matters which may be, or which purport to be, governed by the laws of any other state or jurisdiction.

G. We express no opinions other than those specifically and expressly set forth herein, and no other opinions may be implied or inferred. We express no opinions as to the applicability or effect of any Federal or state securities or "blue sky" laws; any Federal or state taxes, including income taxes, sales taxes and franchise fees; any Federal or state environmental laws; any foreign laws; or any other Excluded Laws as defined by the Report.

H. This opinion letter speaks only as of the date hereof and we assume no obligation to update or supplement this opinion letter if any applicable laws change after the date of this opinion letter or if we become aware after the date of this opinion letter of any facts, whether existing before or arising after the date hereof, that might change the opinions expressed above.

I. This opinion letter is provided as a legal opinion only and not as a guaranty or warranty of the matters discussed herein or in documents referred to herein.

J. This opinion is solely for the benefit of the addressees in connection with the Bond Transaction and this opinion may not be relied upon in any manner, nor used, by any other persons or entities or for any other purpose.

Based upon the foregoing, and subject to the assumptions, limitations, and qualifications set forth herein, we are of the opinion that:

1. The Developer is a limited liability company duly organized and existing under the laws of the State, with the authority to conduct its business within the State.

2. Based solely on the Developer Organizational Documents, the Certificate of the Developer has been authorized by all necessary limited liability company action and has been duly executed by the Developer.

3. Based solely upon our representation of the Developer as its counsel for the Bond Transaction, nothing has come to our attention that would lead us to believe that the statements contained in the Preliminary Official Statement or the Official Statement, as of their dates and as of the date hereof, under the captions "THE DEVELOPER" and "THE DEVELOPMENT" contained or contains an untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

Very truly yours,

EXHIBIT I

TO THE CONTRACT OF PURCHASE

[Form of Issue Price Certificate]

\$(PAR)

**Indigo East Community Development District
(Marion County Lake, Florida)
Water and Sewer Revenue Refunding Bonds, Series 2022A**

ISSUE PRICE CERTIFICATE

[_____], 2022

The undersigned, on behalf of Jefferies LLC, as Managing Underwriter (the "Representative"), on behalf of itself and FMSbonds, Inc. (together, the "Underwriting Group"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

Select appropriate provisions below:

1. [Alternative 1¹ – All Maturities Use General Rule: ***Sale of the Bonds***. As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.] [Alternative 22 – Select Maturities Use General Rule: ***Sale of the General Rule Maturities***. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.]

2. ***Initial Offering Price of the [Bonds][Hold-the-Offering-Price Maturities]***.

(a) [Alternative 13 – All Maturities Use Hold-the-Offering-Price Rule: the Underwriting Group offered the Bonds to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.]

[Alternative 24 – Select Maturities Use Hold-the-Offering-Price Rule: the Underwriting Group offered the Hold-the-Offering-Price Maturities to the Public for purchase at

1 If Alternative 1 is used, delete the remainder of paragraph 1 and all of paragraph 2 and renumber paragraphs accordingly.

2 If Alternative 2 is used, delete Alternative 1 of paragraph 1 and use each Alternative 2 in paragraphs 2(a) and (b).

3 If Alternative 1 is used, delete all of paragraph 1 and renumber paragraphs accordingly.

4 Alternative 2(a) of paragraph 2 should be used in conjunction with Alternative 2 in paragraphs 1 and 2(b).

the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.]

(b) [Alternative 1 – All Maturities use Hold-the-Offering-Price Rule: As set forth in the Contract of Purchase, the members of the Underwriting Group have agreed in writing that, (i) for each Maturity of the Bonds, [it][they] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

[Alternative 2 - Select Maturities Use Hold-the-Offering-Price Rule: As set forth in the Contract of Purchase, the members of the Underwriting Group [have] agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, [it][they] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Total Issue Price.*** The total of the issue prices of all the Maturities is \$_____.

4. ***Defined Terms.***

[(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "General Rule Maturities."]

[(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."]

[(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which the Underwriting Group [has][have] sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

(d) *Issuer* means Indigo East Community Development District.

(e) *District* means Bay Laurel Center Community Development District.

(f) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(g) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(h) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is [DATE].

(i) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

4. ***The Series 2022A Debt Service Reserve Account.*** The funding of the Series 2022A Debt Service Reserve Account in the amount the Debt Service Reserve Requirement was reasonably required to sell the Bonds.

5. ***Municipal Bond Insurance.*** The fees charged by Assured Guaranty Municipal Corp. (the "Bond Insurer") for the Bond Insurance Policy and the Debt Service Reserve Insurance Policy do not exceed a reasonable charge for the transfer of credit risk to the Bond Insurer. The present value of fees paid to the Bond Insurer by the Issuer for the Bond Insurance Policy and the Debt Service Reserve Insurance Policy provided by the Bond Insurer will be less than the present value of the expected interest savings on the Bonds as a result of the Bond Insurance Policy and the Debt Service Reserve Insurance Policy.

6. ***Yield and Weighted Average Maturity.*** Based on the Representative's pricing schedules (attached at Schedule A), which the Representative prepared using industry standard financial software:

- i. the Yield on the Bonds is not less than [_____] %;
- ii. the weighted average maturity of the Bonds is [_____] years; and
- iii. the remaining weighted average maturity of the Bay Laurel Center Community Development District (Marion County, Florida) Water and Sewer Revenue Bonds, Series 2011 (the "Refunded Bonds") is [_____] years.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Representative's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury

Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer and the District with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Greenberg Traurig, P.A., in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer and the District from time to time relating to the Bonds.

Jefferies LLC, as Managing Underwriter

By: _____
Michael Baldwin, Senior Vice President

SECTION 3

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER [____], 2022

**NEW ISSUE
BOOK-ENTRY ONLY**

RATING: See "RATING" herein

In the opinion of Greenberg Traurig, P.A., Bond Counsel, assuming the accuracy of certain representations and certifications and the continuing compliance with certain tax covenants, under existing statutes, regulations, rulings and court decisions, interest on the Series 2022A Bonds (as hereinafter defined) is excludable from gross income for federal income tax purposes; and, further, interest on the Series 2022A Bonds will not be an item of tax preference for purposes of the alternative minimum tax imposed on individuals. In the case of the alternative minimum tax imposed by Section 55(b)(2) of the Internal Revenue Code of 1986, as amended (the "Code") on applicable corporations (as defined in Section 59(k) of the Code), interest on the Series 2022A Bonds is not excluded from the determination of adjusted financial statement income. See "TAX MATTERS" herein for a description of certain other federal tax consequences of ownership of the Series 2022A Bonds. Bond Counsel is further of the opinion that the Series 2022A Bonds and the interest thereon are not subject to taxation under the laws of the State of Florida, except as to estate taxes and taxes under 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.

**INDIGO EAST COMMUNITY DEVELOPMENT DISTRICT
(Marion County, Florida)**

\$[_____]*

**Water and Sewer Revenue Refunding Bonds,
Series 2022A**

Dated: Date of Delivery

Due Dates: As on the inside cover page

Indigo East Community Development District (the "Issuer or the "Indigo East CDD") is issuing the Indigo East Community Development District Water and Sewer Revenue Refunding Bonds, Series 2022A (the "Series 2022A Bonds"), only in fully registered form, without coupons, in denominations of \$5,000 or integral multiples thereof. The Series 2022A 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 at maturity or earlier redemption. The Series 2022A Bonds, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. Purchases of beneficial interests in the Series 2022A Bonds will be made in book-entry only form. Accordingly, principal of and interest on the Series 2022A Bonds will be paid from the sources provided below by U.S. Bank Trust Company, National Association, Fort Lauderdale, Florida (as successor in interest to U.S. Bank National Association), as trustee (the "Trustee"), directly to DTC as the registered owner thereof. Disbursement of such payments to the DTC Participants is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of DTC Participants and the Indirect Participants, as more fully described herein. Any purchaser as a beneficial owner of a Series 2022A Bond must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive payment of the principal of and interest on such Series 2022A Bonds. See "DESCRIPTION OF THE SERIES 2022A BONDS – Book-Entry Only System" herein.

The Issuer has entered into an Interlocal Agreement dated May 17, 2022 (the "Refunding Interlocal Agreement"), with Bay Laurel Center Community Development District (the "District"), whereby the Issuer has agreed to undertake the issuance of the Series 2022A Bonds on behalf of the District. The Issuer and the District are each local units of special-purpose government of the State of Florida, created and established in accordance with the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), and each established by an ordinance enacted by the Board of County Commissioners of Marion County, Florida (the "County"). See "THE ISSUER" and "THE DISTRICT" herein for more information. The District currently owns, operates and maintains certain water, sewer and reuse water utility infrastructure (as more particularly described herein, the "Utilities System") and provides utility services to the residents and businesses within and without its boundaries within the County (as further described herein, the "Service Area"). The Utilities System provides service to all of the residents and businesses within the community known as "On Top of the World" (the "OTOW Community") and adjacent properties near SR 200 located in the County. The Utilities System also provides and will provide service to residents and businesses located within certain surrounding areas. See "THE DEVELOPMENT" herein for more information. The Utilities System currently serves approximately 10,461 water connections and 9,992 wastewater connections and provides reuse water flow primarily for irrigation purposes to golf course and common landscape areas throughout the Service Area. See "THE UTILITIES SYSTEM – Service Area" herein.

The District previously issued its Water and Sewer Revenue Bonds, Series 2011 (the "Series 2011 Bonds") and its Taxable Water and Sewer Revenue Bonds, Series 2022B (the "Series 2022B Bonds") to finance its purchase of

portions of the Utilities System pursuant to its existing Sublease/Option Agreement (as defined herein). See "THE UTILITIES SYSTEM – The Sublease/Option Agreement" herein for more information. The District has now determined to refund all of the currently Outstanding Series 2011 Bonds (the "Refunded Bonds"), and the Issuer has now determined to undertake the issuance of refunding bonds on behalf of the District pursuant to the Refunding Interlocal Agreement. See "PLAN OF REFINANCE" herein for more information.

The Series 2022A Bonds are being issued pursuant to the Act, the Refunding Interlocal Agreement and a Trust Indenture dated as of October 1, 2011, (the "Trust Indenture") by and between the District and the Trustee, as supplemented by the Series 2022A Supplemental Trust Indenture dated as of September 1, 2022 (the "Series 2022A Supplemental Trust," together with the Trust Indenture, the "Series 2022A Indenture"), by and among the District, the Issuer and the Trustee. The Series 2022A Bonds constitute Additional Bonds pursuant to the Trust Indenture and will be secured by a pledge of the Pledged Revenues and certain moneys on deposit in the Funds and Accounts established and created under the Trust Indenture, on the same basis as the Series 2022B Bonds and any future Additional Bonds. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Series 2022A Indenture.

The proceeds of the Series 2022A Bonds will be used, together with other legally available funds of the District held under the Trust Indenture, for the purposes of (i) currently refunding and retiring all of the Refunded Bonds and (ii) paying the costs of issuance of the Series 2022A Bonds, including the premiums for the Series 2022A Credit Facility and the Series 2022A Debt Service Reserve Insurance Policy (each as defined in the Series 2022A Indenture). See "PLAN OF REFINANCE" and "ESTIMATED SOURCES AND USES OF THE SERIES 2022A BOND PROCEEDS" herein.

THE SERIES 2022A BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER AND THE DISTRICT, PAYABLE SOLELY FROM PLEDGED REVENUES (AS DEFINED HEREIN) PLEDGED THEREFOR UNDER THE SERIES 2022A INDENTURE, AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE ISSUER, THE DISTRICT, THE COUNTY, THE STATE OF FLORIDA (THE "STATE"), OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE SERIES 2022A BONDS. THE SERIES 2022A BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER, THE DISTRICT, THE COUNTY, THE STATE, OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. Holders of the Series 2022A Bonds shall never have the right to require or compel the exercise of the ad valorem taxing power of the Issuer, the District, the County, the State or any political subdivision thereof, or taxation in any form of any real or personal property of the Issuer, the District, the County, the State or any political subdivision thereof, for the payment of the principal of, premium, if any, and interest on the Series 2022A Bonds or the making of any other sinking fund and other payments provided for in the Series 2022A Indenture. See "SECURITY FOR AND SOURCES OF PAYMENT FOR THE BONDS" herein.

The scheduled payment of principal of and interest on the Series 2022A Bonds when due will be guaranteed under a bond insurance policy (the "Series 2022A Credit Facility") to be issued concurrently with the delivery of the Series 2022A Bonds by Assured Guaranty Municipal Corp. (the "Insurer" or "AGM"). See "BOND INSURANCE" and "APPENDIX G: SPECIMEN MUNICIPAL BOND INSURANCE POLICY."

[AGM LOGO]

Certain risks are associated with the Series 2022A Credit Facility. See "BOND INSURANCE" and "INVESTMENT CONSIDERATIONS – Insurance-Related Considerations" herein.

The Series 2022A Bonds are subject to optional and mandatory sinking fund redemption, as more fully described herein under the caption "DESCRIPTION OF THE SERIES 2022A BONDS – Redemption Provisions of the Series 2022A Bonds" herein.

AMOUNTS, INTEREST RATES, MATURITIES, YIELDS AND CUSIP NUMBERS

(See Inside Cover Page)

Potential investors are solely responsible for evaluating the merits and risks of an investment in the Series 2022A Bonds. See "SUITABILITY FOR INVESTMENT" herein. This cover page contains certain information for quick reference only. It is **not** a summary of the Series 2022A Bonds. Investors must read this entire Official Statement to obtain information essential to the making of an informed investment decision.

The Series 2022A Bonds are offered for delivery when, as and if issued by the Issuer and accepted by the Underwriters, subject to prior sale, withdrawal or modification of the offer without notice and the receipt of the opinion of Greenberg Traurig P.A., Tallahassee, Florida, Bond Counsel, as to the validity of the Series 2022A Bonds. Certain

legal matters will be passed upon for the Underwriters by their counsel, GrayRobinson, P.A., Tampa, Florida, for [the Issuer and] the District by their counsel, Colen & Wagoner, P.A., Clearwater, Florida, and by Special District Counsel, Kutak Rock LLP, Tallahassee, Florida, for the Developer (as defined herein) by its counsel, Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A., Tallahassee, Florida, and for the Trustee by its counsel, Holland & Knight, LLP, Miami, Florida. It is expected that the Series 2022A Bonds will be delivered in book-entry form through the facilities of DTC, New York, New York on or about _____, 2022.

Jefferies

FMSbonds, Inc.

Dated: _____, 2022.

* Preliminary, subject to change.

PRINCIPAL AMOUNTS, MATURITIES, INTEREST RATES, YIELDS AND CUSIP NUMBERS

\$[_____] *
INDIGO EAST COMMUNITY DEVELOPMENT DISTRICT
(Marion County, Florida)

Water and Sewer Revenue Refunding Bonds, Series 2022A

\$[_____] Series 2022A Serial Bonds

Maturing September 1 of the Year	Principal Amount	Interest Rate	<u>Yield</u>	<u>CUSIP No.**</u>
---	-----------------------------	--------------------------	---------------------	---------------------------

\$ _____ % Series 2022A Term Bonds, Due September 1, 20__ Yield: _____ % CUSIP No.**: _____

* Preliminary, subject to change.

** Neither the Issuer nor the District is responsible for the use of CUSIP numbers, nor is any representation made as to their correctness. They are included solely for the convenience of the readers.

**INDIGO EAST COMMUNITY DEVELOPMENT DISTRICT
GOVERNING BOARD**

John Gysen, Chairman
Cynthia LaFrance, Vice Chairman
Harold Brouillard
Robert Hutson
Terrance Solan

ISSUER'S COUNSEL / DISTRICT COUNSEL

Colen & Wagoner, P.A.
Clearwater, Florida

SPECIAL DISTRICT COUNSEL

Kutak Rock LLP
Tallahassee, Florida

BOND COUNSEL

Greenberg Traurig, P.A.
Tallahassee, Florida

DISTRICT MANAGER

Governmental Management Services – Central Florida, LLC
Orlando, Florida

CONSULTING ENGINEER

Kimley-Horn and Associates, Inc.
Ocala, Florida

FEASIBILITY CONSULTANT

Willdan Financial Services
Orlando, Florida

NO DEALER, BROKER, SALESPERSON, OR OTHER PERSON HAS BEEN AUTHORIZED BY THE DISTRICT, THE ISSUER OR THE UNDERWRITERS NAMED ON THE COVER PAGE HEREOF TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS OFFICIAL STATEMENT, 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 OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY AND THERE SHALL BE NO OFFER, SOLICITATION, OR SALE OF THE SERIES 2022A BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE INFORMATION SET FORTH HEREIN HAS BEEN OBTAINED FROM PUBLIC DOCUMENTS, RECORDS AND OTHER SOURCES, INCLUDING THE DISTRICT, THE ISSUER, THE DEVELOPER (HEREIN DEFINED), THE DISTRICT ENGINEER AND THE DISTRICT MANAGER AND OTHER SOURCES WHICH ARE BELIEVED TO BE RELIABLE, BUT WHICH INFORMATION IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS BY, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION OF, THE UNDERWRITERS. THE UNDERWRITERS HAVE PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT. THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, THEIR RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITERS DO NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT, NOR ANY SALE MADE HEREUNDER, SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE DISTRICT, THE ISSUER OR THE DEVELOPER SINCE THE DATE HEREOF.

THE UNDERWRITERS MAY OFFER AND SELL THE SERIES 2022A BONDS TO CERTAIN DEALERS AND OTHERS AT PRICES LOWER THAN THE INITIAL PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE OF THIS OFFICIAL STATEMENT, AND SUCH PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS AFTER THE INITIAL PUBLIC OFFERING.

ASSURED GUARANTY MUNICIPAL CORP. ("INSURER" OR "AGM") MAKES NO REPRESENTATION REGARDING THE SERIES 2022A BONDS OR THE ADVISABILITY OF INVESTING IN THE SERIES 2022A BONDS. IN ADDITION, AGM HAS NOT INDEPENDENTLY VERIFIED, MAKES NO REPRESENTATION REGARDING, AND DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT OR ANY INFORMATION OR DISCLOSURE CONTAINED HEREIN, OR OMITTED HEREFROM, OTHER THAN WITH RESPECT TO THE ACCURACY OF THE INFORMATION REGARDING AGM SUPPLIED BY AGM AND PRESENTED UNDER THE HEADING "BOND INSURANCE" AND "APPENDIX G: SPECIMEN MUNICIPAL BOND INSURANCE POLICY."

THE SERIES 2022A BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION ("SEC") UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE SERIES 2022A INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON CERTAIN EXEMPTIONS SET FORTH IN SUCH ACTS. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE SERIES 2022A BONDS IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW

PROVISIONS OF ANY JURISDICTIONS WHEREIN THESE SECURITIES HAVE BEEN OR WILL BE REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THE DISTRICT, THE ISSUER, THE STATE OF FLORIDA, MARION COUNTY, FLORIDA, NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SERIES 2022A BONDS. NEITHER THE STATE OF FLORIDA, MARION COUNTY, FLORIDA, NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT.

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS OFFICIAL STATEMENT 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 "PLAN OF REFINANCE," "THE UTILITIES SYSTEM – PROJECTED OPERATING AND FINANCIAL RESULTS" AND "THE DEVELOPMENT" IN THIS OFFICIAL STATEMENT. 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. NEITHER THE DEVELOPER, THE ISSUER NOR THE DISTRICT PLAN 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.

REFERENCES TO WEBSITE ADDRESSES PRESENTED HEREIN ARE FOR INFORMATIONAL PURPOSES ONLY AND MAY BE IN THE FORM OF A HYPERLINK SOLELY FOR THE READER'S CONVENIENCE. UNLESS SPECIFIED OTHERWISE, SUCH WEBSITES AND THE INFORMATION OR LINKS CONTAINED THEREIN ARE NOT INCORPORATED INTO, AND ARE NOT PART OF, THIS FINAL OFFICIAL STATEMENT FOR PURPOSES OF, AND AS THAT TERM IS DEFINED IN, SEC RULE 15C2-12.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS IN EITHER BOUND OR PRINTED FORMAT ("ORIGINAL BOUND FORMAT") OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITES: WWW.MUNIOS.COM AND WWW.EMMA.MSRB.ORG. THIS OFFICIAL STATEMENT MAY BE RELIED ON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT, OR IF IT IS PRINTED IN ITS ENTIRETY DIRECTLY FROM SUCH WEBSITES. THIS OFFICIAL STATEMENT IS NOT TO BE CONSTRUED AS A CONTRACT BETWEEN THE DISTRICT, THE ISSUER AND THE UNDERWRITERS OR ANY PURCHASERS OF THE SERIES 2022A BONDS.

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

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OFFICIAL STATEMENT

INDIGO EAST COMMUNITY DEVELOPMENT DISTRICT (Marion County, Florida)

\$[_____]*

Water and Sewer Revenue Refunding Bonds, Series 2022A

INTRODUCTION

The purpose of this Official Statement, including the cover page and Appendices hereto, is to provide certain information in connection with the offer for sale by the Indigo East Community Development District (the "Issuer" or "Indigo East CDD") of its \$[_____] * Indigo East Community Development District Water and Sewer Revenue Refunding Bonds, Series 2022A (the "Series 2022A Bonds").

The Issuer is a local unit of special-purpose government of the State of Florida, created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), and established by Ordinance 02-26, duly enacted by the Board of County Commissioners of Marion County, Florida (the "County") on November 5, 2002 and effective November 15, 2002. For more complete information about the Issuer, its Board of Supervisors and its District Manager, see "THE ISSUER" herein.

The Issuer has entered into an Interlocal Agreement dated May 17, 2022 (the "Refunding Interlocal Agreement"), with Bay Laurel Center Community Development District (the "District"), whereby the Issuer has agreed to undertake the issuance of the Series 2022A Bonds on behalf of the District. The District is a local unit of special-purpose government of the State of Florida, created pursuant to the Act, and established by Ordinance 02-11, duly enacted by the Board of County Commissioners of Marion County, Florida (the "County") on May 7, 2002 and effective May 17, 2002, as amended by County Ordinance No. 04-10 duly enacted on May 4, 2004. For more complete information about the District, see "THE DISTRICT" herein.

The District currently owns, operates and maintains certain water, sewer and reuse water utility infrastructure (as more particularly described herein, the "Utilities System") and provides utility services to the residents and businesses within its boundaries. In addition, the District has entered into that certain Interlocal Agreement with the County dated as of May 4, 2004, as amended and restated on July 19, 2016, as further amended by that certain First Amendment to Amended and Restated Interlocal Agreement, dated as of March 1, 2022, and as may be further amended (the "Marion County Interlocal Agreement"), under the terms of which the District provides utility services to residents in certain areas of the County outside its boundaries (as more particularly described in the Marion County Interlocal Agreement, the "County Service Area"). The District has also entered into (i) an Interlocal Agreement with the Candler Hills East Community Development District ("Candler CDD"), dated as of April 7, 2003 (the "Candler Interlocal Agreement"), under the terms of which the District operates and manages the Utilities System within Candler CDD (as more particularly described in the Candler Interlocal Agreement, the "Candler Service Area") and (ii) an Interlocal Agreement with the Indigo East CDD, dated as of April 7, 2003 (the "Indigo Interlocal Agreement"), under the terms of which the District operates and manages the Utilities System within the boundaries of the Indigo East CDD (as more particularly described in the Indigo Interlocal Agreement, the "Indigo Service Area"). The District, Candler CDD and Indigo East CDD are collectively referred to herein as the "Districts." For more information, see "THE DISTRICT – Interlocal Agreements"

* Preliminary, subject to change.

and "THE UTILITIES SYSTEM – Service Area" herein. The District currently provides utility services to approximately 10,461 water connections and 9,992 wastewater connections in its Service Area (as defined herein).

The Utilities System provides service to all of the residents and businesses within the community known as "On Top of the World" (the "OTOW Community") and adjacent properties near SR 200 located in the County. The Utilities System also provides service to the residents and businesses located within Indigo East CDD and Candler CDD and to residents of Stone Creek, a nearby Del Webb community. In addition, the Utilities System will provide service to three recently approved development projects including the Calesa Planned Development and two mixed use employment centers (Earl Employment Center and South Employment Center) that will include multifamily development. The foregoing are collectively referred to as the "Service Area." At buildout, the District's Service Area is expected to contain approximately 13,150 acres. See "THE UTILITIES SYSTEM – Service Area" and "THE DEVELOPMENT" herein for more information. On Top of the World Communities, L.L.C. (the "Developer") is serving as the developer of the OTOW Community. The Developer is a Florida limited liability company, and the principals of the Developer have been developing real estate in Florida since 1947 and have developed in excess of 50,000 residential units. See "THE DEVELOPER" herein.

The District previously issued its Water and Sewer Revenue Bonds, Series 2011 (the "Series 2011 Bonds") and its Taxable Water and Sewer Revenue Bonds, Series 2022B (the "Series 2022B Bonds") to finance its purchase of portions of the Utilities System pursuant to that certain Water and Sewer System and Reuse Water System Sublease/Option to Purchase Agreement by and among the District, the Developer and Sidney Colen & Associates, Ltd. (the "SCA") dated as of October 12, 2010 (the "Sublease/Option Agreement"). See "THE UTILITIES SYSTEM – The Sublease/Option to Purchase Agreement" herein for more information. The District has now determined to refund all of the currently Outstanding Series 2011 Bonds (the "Refunded Bonds"), and the Issuer has determined to undertake the issuance of refunding bonds on behalf of the District pursuant to the Refunding Interlocal Agreement. See "PLAN OF REFINANCE" herein for more information.

The Series 2022A Bonds are being issued pursuant to the Act, the Refunding Interlocal Agreement, a Trust Indenture dated as of October 1, 2011 (the "Trust Indenture"), by and between the District and U.S. Bank Trust Company, National Association, Fort Lauderdale, Florida (as successor in interest to U.S. Bank National Association), as trustee (the "Trustee"), as supplemented by the Series 2022A Supplemental Trust Indenture, dated as of September 1, 2022 (the "Series 2022A Supplemental Trust," together with the Trust Indenture, the "Series 2022A Indenture"), by and among the District, the Issuer and the Trustee. The Series 2022A Bonds constitute Additional Bonds pursuant to the Trust Indenture and will be secured by a pledge of the Pledged Revenues and certain moneys on deposit in the Funds and Accounts established and created under the Trust Indenture, on the same basis as the Series 2022B Bonds and any future Additional Bonds. Reference is made to the Series 2022A Indenture for a full statement of the authority for, and the terms and provisions of, the Series 2022A Bonds. All capitalized terms used in this Official Statement that are defined in the Series 2022A Indenture and not defined herein shall have the respective meanings set forth in the Series 2022A Indenture. A copy of the Trust Indenture and form of the Series 2022A Supplemental Trust are set forth in APPENDIX C hereto.

The proceeds of the Series 2022A Bonds will be used, together with other legally available funds of the District, for the purposes of (i) currently refunding and retiring the Refunded Bonds and (ii) paying the costs of issuance of the Series 2022A Bonds, including the premiums for the Series 2022A Credit Facility and the Series 2022A Debt Service Reserve Insurance Policy (each as defined herein). See "PLAN OF REFINANCE" and "ESTIMATED SOURCES AND USES OF THE SERIES 2022A BOND PROCEEDS" herein.

The scheduled payment of principal of and interest on the Series 2022A Bonds when due will be guaranteed under a bond insurance policy (the "Series 2022A Credit Facility") to be issued concurrently with the delivery of the Series 2022A Bonds by Assured Guaranty Municipal Corp. (the "Insurer" or "AGM"). See "BOND INSURANCE" and "APPENDIX G: SPECIMEN MUNICIPAL BOND INSURANCE POLICY." Certain risks are associated with the Series 2022A Credit Facility. See "BOND INSURANCE" and "INVESTMENT CONSIDERATIONS – Insurance-Related Considerations" herein.

The Series 2022A Bonds are not a suitable investment for all investors. See "SUITABILITY FOR INVESTMENT" herein. No person has been authorized by the District, the Issuer or the Underwriters to give any information or to make any representations, other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. Prospective investors in the Series 2022A Bonds are invited to visit the District, Indigo East CDD and the Development, ask questions of representatives of the Developer (hereinafter defined) and representatives of the District and/or Issuer, and request documents, instruments and information which may not necessarily be referred to, summarized or described herein. Prospective investors should rely upon the information appearing in this Official Statement within the context of the availability of such additional information and the sources thereof.

There follows in this Official Statement brief descriptions of the Issuer, the District, the Interlocal Agreements, the Utilities System and Service Area, the Development and the Developer, together with summaries of terms of the Series 2022A Bonds, the Series 2022A Indenture, the Refunding Interlocal Agreement, the Sublease/Option to Purchase Agreement and certain provisions of the Act. All references herein to the Series 2022A Indenture and the Act are qualified in their entirety by reference to such documents, and all references to the Series 2022A Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained in the Series 2022A Indenture. A copy of the Trust Indenture and form of the Series 2022A Supplemental Trust are set forth in APPENDIX C hereto. The information herein under the captions "THE DEVELOPMENT" and "THE DEVELOPER" has been furnished by the Developer. Reference is also made to the full text of the Engineer's Report, which is attached hereto as APPENDIX A, from which the summary descriptions of the Utilities System herein are taken, and to the Feasibility Report, which is attached hereto as APPENDIX B.

PLAN OF REFINANCE

A portion of the proceeds of the Series 2022A Bonds will be used, together with other legally available funds of the District held under the Trust Indenture, to currently refund and retire all of the District's Outstanding Series 2011 Bonds (the "Refunded Bonds"), together with interest accrued and unpaid thereon through the redemption date. The Series 2022A Indenture establishes a Series 2011 Bond Redemption Fund. Proceeds of the Series 2022A Bonds will be deposited, together with other legally available funds transferred from the Debt Service Reserve Fund in connection with the refunding of the Refunded Bonds, into the Series 2011 Bond Redemption Fund and held uninvested in cash in an amount sufficient to pay the principal of and accrued interest on the Refunding Bonds on or about the date of issuance of the Series 2022A Bonds.

Upon the deposit of such cash, the Refunded Bonds shall no longer be deemed Outstanding for purposes of the Trust Indenture, all liability of the District with respect thereto shall cease, and the holders thereof shall be entitled to payment solely out of the moneys on deposit pursuant to the Series 2022A Indenture.

See also "ESTIMATED SOURCES AND USES OF THE SERIES 2022A BOND PROCEEDS" herein for more information.

VERIFICATION

As of the delivery date of the Series 2022A Bonds, Robert Thomas CPA, LLC, certified public accountants, will verify, from information provided to them, the mathematical accuracy of the computations contained in schedules provided by the Underwriters, to determine that the cash to be deposited in the Series 2011 Bond Redemption Fund will be sufficient to pay the principal of and interest on the Refunded Bonds.

DESCRIPTION OF THE SERIES 2022A BONDS

General Description

The Series 2022A Bonds will be dated the date of their delivery to the initial purchasers thereof, will bear interest at the rates per annum and, subject to the redemption provisions set forth below, will mature on the dates and in the amounts set forth on the inside cover page of this Official Statement. Interest on the Series 2022A Bonds is to be computed on the basis of a 360-day year consisting of twelve thirty-day months and will be payable semiannually on each March 1 and September 1, commencing March 1, 2023, and upon the maturity date or earlier date of redemption. U.S. Bank Trust Company, National Association, Fort Lauderdale, Florida is the initial Trustee, Paying Agent and Registrar for the Series 2022A Bonds.

The Series 2022A Bonds are issuable as fully registered bonds, without coupons, in denominations of \$5,000. Each Series of the Series 2022A Bonds will be initially issued in the form of a single fully-registered certificate for each maturity. Upon initial issuance, the ownership of the Series 2022A Bonds will be registered in the bond register kept by the Trustee in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). See "DESCRIPTION OF THE SERIES 2022A BONDS – Book-Entry Only System" below.

Book-Entry Only System

The information in this caption concerning DTC and DTC's book-entry system has been obtained from DTC, and neither the District, the Issuer nor the Underwriters make any representation or warranty or takes any responsibility for the accuracy or completeness of such information.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2022A Bonds. The Series 2022A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2022A Bond certificate will be issued for each maturity of each Series of the Series 2022A Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust

& Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2022A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2022A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2022A Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2022A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2022A Bonds, except in the event that use of the book-entry system for the Series 2022A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2022A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2022A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2022A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2022A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2022A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2022A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2022A Bond documents. For example, Beneficial Owners of Series 2022A Bonds may wish to ascertain that the nominee holding the Series 2022A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2022A Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Series 2022A Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2022A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2022A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and interest payments on the Series 2022A 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 Issuer or the Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, the Issuer or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer and/or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2022A Bonds at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2022A Bond certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Series 2022A Bond certificates will be printed and delivered to DTC.

Redemption Provisions of the Series 2022A Bonds

Optional Redemption

The Series 2022A Bonds maturing on or after September 1, 2032 may, at the option of the District on behalf of the Issuer, be called for redemption prior to maturity in whole at any time, or in part on any Interest Payment Date, on or after September 1, 2032 (less than all Series 2022A Bonds to be selected by lot), at a Redemption Price equal to the principal amount of Series 2022A Bonds to be redeemed, plus accrued interest from the most recent Interest Payment Date to the redemption date.

Mandatory Sinking Fund Redemption

The Series 2022A Bonds maturing on September 1, 20[] are subject to mandatory redemption in part by the Issuer by lot prior to their scheduled maturity from moneys in the Series 2022A Sinking Fund Subaccount established under the Series 2022A Indenture in satisfaction of applicable Sinking Fund Installments, at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption, on September 1 of the years and in the principal amounts set forth below:

<u>Year</u>	<u>Sinking Fund Installment</u>	<u>Year</u>	<u>Sinking Fund Installment</u>
	\$		\$
		*	

*Final maturity.

Upon any redemption of Series 2022A Bonds other than in accordance with scheduled Sinking Fund Installments or upon any purchase of Series 2022A Bonds which are presented to the Trustee for cancellation, the District on behalf of the Issuer shall cause to be recalculated and delivered to the Trustee revised Sinking Fund Installments recalculated so as to amortize the Outstanding principal amount of Series 2022A Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Series 2022A Bonds. The Sinking Fund Installments as so recalculated shall not result in an increase in the aggregate of the Sinking Fund Installments for all Series 2022A Bonds in any year.

Extraordinary Mandatory Redemption from Insurance or Condemnation Proceeds

In the event that insurance or condemnation proceeds received pursuant to the Series 2022A Indenture, together with any available moneys of the District, are insufficient, as evidenced by a certificate of the Consulting Engineer provided to the Trustee, to repair, replace or restore the damaged, destroyed or condemned Utilities System and the District has no other funds available therefor, the Issuer at the direction of the District shall apply such insurance or condemnation proceeds to the extraordinary mandatory redemption of Bonds, including the Series 2022A Bonds, to the extent of such funds, at a Redemption Price of par plus accrued interest to the date of redemption.

Notice of Redemption

Except in the case of a mandatory sinking fund redemption, the Issuer at the direction of the District shall, at least sixty (60) days prior to the redemption date (unless a shorter period of time shall be satisfactory to the Trustee), notify the Trustee of such redemption date and of the principal amount of Series 2022A Bonds to be redeemed.

The Trustee shall cause notice of redemption to be mailed at least thirty (30) but not more than sixty (60) days prior to the date of redemption to all registered owners of Series 2022A Bonds to be redeemed (as such owners appear on the books of the Registrar on the fifth day prior to such mailing) and to certain additional parties as set forth in the Series 2022A Indenture; provided, however, that failure to mail any such notice or any defect in the notice or the mailing thereof shall not affect the validity of the redemption of the Series 2022A Bonds for which such notice was duly mailed in accordance with the Series 2022A Indenture. If less than all of the Series 2022A Bonds shall be called for redemption, the notice of redemption shall specify the Series 2022A Bonds to be redeemed. On the redemption date, the Series 2022A Bonds called for redemption will be payable at the corporate trust office of the Paying Agent located in Fort Lauderdale, Florida and on such date interest shall cease to accrue, such Series 2022A Bonds shall cease to be entitled to any benefit under the Series 2022A Indenture and such Series 2022A Bonds shall not be deemed to be outstanding under the provisions of the Series 2022A Indenture and the registered owners of such Series 2022A Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof.

If at the time of the giving of any notice of optional redemption there shall be on deposit with the Trustee moneys insufficient to redeem all the Series 2022A Bonds called for redemption, such notice shall state that it is conditional and that redemption of such Series 2022A Bonds is subject to the deposit of the redemption moneys with the Trustee not later than the opening of business on the redemption date, and that such notice shall be of no effect with respect to any Series 2022A Bonds for which such moneys are not so deposited. If the amount of funds so deposited with the Trustee, or otherwise available, is insufficient to pay the redemption price and interest on all Series 2022A Bonds so called for redemption on such date, the Trustee shall redeem and pay on such date an amount of such Series 2022A Bonds for which such funds are sufficient, selecting the Series 2022A Bonds to be redeemed by lot from among all such Series 2022A

Bonds called for redemption on such date, and interest on any Series 2022A Bonds not paid shall continue to accrue as provided in the Series 2022A Indenture.

SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS

General

The Series 2022A Bonds constitute Additional Bonds pursuant to the Trust Indenture and will be secured by a pledge of the Pledged Revenues and certain moneys on deposit in the Funds and Accounts established and created under the Trust Indenture, on the same basis as the Series 2022B Bonds and any future Additional Bonds.

Payment of the principal of, premium, if any, and interest on the Series 2022A Bonds, the Series 2022B Bonds and any Additional Bonds issued pursuant to the Trust Indenture (collectively, the "Bonds") is secured by a pledge of and a lien on all of the right, title and interest of the District in and to the Pledged Revenues (as defined herein) and the moneys on deposit in the Funds and Accounts (except for the Operating Fund and Operation Reserve Fund and certain moneys transferred from the Surplus Fund to the Rebate Fund) established and created under the Trust Indenture, as security for the payment of the principal, redemption or purchase price of (as the case may be), and interest on, any Bonds issued under the Trust Indenture and any reimbursement due to any Credit Facility Issuer or Liquidity Facility Issuer for any drawing on its Credit Facility or Liquidity Facility, respectively, as required under the terms of the corresponding Credit Facility Agreement or Liquidity Facility Agreement.

The term "Pledged Revenues" is defined in the Trust Indenture to mean, with respect to the District, all Net Revenues and all Connection Charges (to the extent legally permissible); provided, however, that moneys transferred by the Trustee from the Surplus Fund or Bond Redemption Fund (if such Fund is established pursuant to a Supplemental Indenture) to the Rebate Fund held by the Trustee under any Arbitrage Rebate Agreement, and any interest earnings thereon, shall not be deemed to be Pledged Revenues and the lien and pledge of the Trust Indenture shall no longer apply to any moneys so transferred. For purposes of determining Pledged Revenues, the calculation of Operating Expenses in determining Net Revenues shall not include lease payments due under the Sublease/Option to Purchase Agreement because they have been subordinated to the payment of debt service.

The term "Net Revenues" is defined in the Trust Indenture to mean, with respect to the Utilities System and any specified period of time, the excess of all Operating Revenues received or accrued by the District over Operating Expenses of the District for the Utilities System and such period, to which shall be added (a) mandatory transfers from any Credit Facility or any Liquidity Facility for payment of principal and interest, (b) earnings and investment income derived from the investment of moneys on deposit in, and transfers of surplus to the Revenue Fund from, the various Funds and Accounts created and established under the Trust Indenture, and (c) moneys transferred from the Rate Stabilization Fund, and excluding (x) any profits or losses on the sale or other disposition, not in the ordinary course of business, of investments or fixed or capital assets or resulting from the early extinguishment of debt, (y) the net proceeds of insurance (other than use and occupancy insurance and business interruption insurance) and condemnation awards, and (z) moneys transferred into the Rate Stabilization Fund.

"Operating Revenues" is defined in the Trust Indenture to mean all revenues derived from the operation of the Utilities System, including, but not limited to, all rates, fees, charges and rentals, and any other like or similar charges, income and receipts, and all parts thereof, received or derived by the District from the operation of the Utilities System, including, without limitation, revenues derived from the sale of effluent for irrigation water and other purposes and other income and receipts derived from the operation of the Utilities System including the proceeds of any use and occupancy insurance and of any other business

interruption insurance protecting against loss of revenues from the operation of the Utilities System, but excluding Connection Charges, if any, imposed by the District.

The term "Operating Expenses" is defined in the Trust Indenture to mean all sums which under Generally Accepted Accounting Principles constitute reasonable and necessary current expenses incurred (whether paid or accrued) in owning, leasing, operating, repairing and maintaining the Utilities System, including, in each case, without intending to limit the generality of the foregoing; (a) expenses of ownership, leasing, Rent, operation and maintenance including all salaries, wages, pension fund payments, fees and utilities, materials, ordinary and current rentals of equipment or other property, maintenance, repair, alteration, insurance and surety bond premiums, and inspection; (b) fees and expenses of professional, managerial, supervisory, administrative, engineering, architectural, legal, auditing and consulting services including, without limitation, fees and expenses of any Credit Facility Issuer, Liquidity Facility Issuer, Registrar, Paying Agent or Trustee; (c) sums payable to any Person which constitute expenses of ownership, leasing, operation and maintenance, including refunds of moneys lawfully due to others; and (d) all taxes, assessments and charges, including, without intending to limit the generality of the foregoing, income, profits, property, franchise, payroll and excise taxes; provided, however, that Operating Expenses shall not include Debt Service Requirements on the Bonds and other indebtedness (except Short Term Indebtedness), amortization of financing charges on the Bonds and depreciation expenses and other non-cash charges.

The term "Connection Charges" is defined in the Trust Indenture to mean all nonrefundable (except at the option of the District) connection charges, capacity charges or other similar fees and charges separately imposed by the District, if any, as a nonuser capacity charge for the proportionate share of the costs of expanding, oversizing, separating or constructing Capital Additions to the Utilities System, and any investment earnings from the investment of funds on deposit in the Connection Charge Fund, but excluding those charges imposed by the District on persons connecting to the Utilities System for the cost of physically connecting thereto, including but not limited to the costs of excavation, plumbing, installation of meters and landscaping.

In addition to the foregoing, pursuant to the Refunding Interlocal Agreement between the Issuer and the District, the District has agreed and covenanted to pay the Pledged Revenues to the Trustee for the payment of Bonds issued under the Trust Indenture, including the Series 2022A Bonds. The Series 2022A Bonds will therefore be payable on a parity basis with the District's Outstanding Series 2022B Bonds and any Additional Bonds issued under the Trust Indenture.

THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER AND OF THE DISTRICT, PAYABLE SOLELY FROM PLEDGED REVENUES PLEDGED THEREFOR UNDER THE TRUST INDENTURE AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE ISSUER, THE DISTRICT, MARION COUNTY, FLORIDA, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE BONDS. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER, THE DISTRICT, MARION COUNTY, FLORIDA, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. Holders of the Bonds shall never have the right to require or compel the exercise of the ad valorem taxing power of the Issuer, the District, the County, the State or any political subdivision thereof, or taxation in any form of any real or personal property of the Issuer, the District, the County, the State or any political subdivision thereof, for the payment of the principal of, premium, if any, and interest on the Bonds or the making of any other sinking fund and other payments provided for in the Series 2022A Indenture.

Additional Bonds and Refunding Bonds

No Additional Bonds, including Refunding Bonds, payable on a parity with the Series 2022A Bonds or any other Bonds then Outstanding pursuant to the Trust Indenture, shall be issued except upon the conditions and in the manner therein provided. The District may issue one or more Series of Additional Bonds for any one or more of the following purposes: (i) financing the Cost of a Project or the completion thereof or (ii) refunding all or any portion of any Outstanding Bonds of the District (so long as the exclusion from gross income for federal income tax purposes of interest on the Bonds to be refunded is not adversely affected, to the extent that upon original issuance thereof the Bonds to be refunded were issued as Bonds the interest on which was excludable from gross income for purposes of federal income taxation).

No such Additional Bonds may be issued unless the following conditions are complied with:

(a) The District certifies that it is current in all deposits or credits to the various Funds and Accounts established under the Trust Indenture and all payments theretofore required to have been deposited or credited by it under the provisions of the Trust Indenture and that no Event of Default has occurred and is continuing.

(b) An Independent Certified Public Accountant or the Rate Consultant certifies to the District that the Pledged Revenues for any period of 12 consecutive months selected by the District out of the 18 months preceding the delivery of such certificate (the "Measurement Period") are not less than 110% of the annual Debt Service Requirements on all Bonds then to be Outstanding, including the proposed Additional Bonds. For purposes of the foregoing, the following adjustments to Pledged Revenues may be made:

(1) If the District prior to issuance of the proposed Additional Bonds has increased the rates, fees, rentals or other charges for the services of the Utilities System, the Pledged Revenues for the Measurement Period shall be adjusted to show the Pledged Revenues which would have been derived from the Utilities System in such Measurement Period as if such increased rates, fees, rentals or other charges for the services of the Utilities System had been in effect during all of such Measurement Period.

(2) Pledged Revenues for the Measurement Period shall be adjusted to include 75% of the Connection Charges collected during the Measurement Period.

(3) If the District has added new users to the Utilities System during the Measurement Period, the Pledged Revenues for the Measurement Period shall be adjusted to show the Pledged Revenues which would have been derived from the Utilities System in such Measurement Period if such new users of the Utilities System had been users of the Utilities System during all of such Measurement Period.

(4) If the District has acquired, or has contracted to acquire, any privately owned or publicly owned existing utilities system, the cost of which shall be paid from all or part of the proceeds of the issuance of the proposed Additional Bonds, then the Pledged Revenues for the Measurement Period shall be adjusted to show the Pledged Revenues which would have been derived from the existing utilities system to be so acquired had such existing utilities system been part of the Utilities System during the Measurement Period, taking into consideration the additional costs to the District of the operation and maintenance of said existing utilities system (the basis of which shall be certified by the Consulting Engineer).

(5) If the District, in connection with the issuance of Additional Bonds, has entered into a contract (with a duration not less than the final maturity of such Additional Bonds) with any public or private entity whereby the District agrees to furnish services in connection with any utilities system, then the Pledged Revenues for the Measurement Period shall be adjusted to show the Pledged Revenues which

would have been derived as a result of any amount such public or private entity has guaranteed to pay in any one year for the furnishing of said services by the District, taking into consideration the additional costs to the District of the operation, maintenance, repair, replacement and renewal of the Utilities System attributable in such year to such services.

(c) Additional Bonds will be deemed to have been issued pursuant to the Trust Indenture in the same manner as the Outstanding Bonds, and all of the other covenants and other provisions of the Trust Indenture (except as to details of such Additional Bonds inconsistent therewith) shall be for the equal benefit, protection and security of the Holders of all Bonds issued pursuant to the Trust Indenture. Except for subordinate indebtedness, as provided in the Trust Indenture, all Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Pledged Revenues and their sources and security for payment therefrom without preference of any Bonds over any other.

In the event any Additional Bonds are issued solely for the purpose of refunding any Bonds then Outstanding, the foregoing conditions will not apply; provided, however, that the issuance of such Additional Bonds shall not result in an increase in the aggregate amount of principal and interest on the Outstanding Bonds becoming due in the current Fiscal Year and each subsequent Fiscal Year thereafter; and provided, further, that the District on behalf of the Issuer obtains a written opinion of Bond Counsel to the effect that the issuance of such Refunding Bonds will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any Bonds issued pursuant to the Trust Indenture (to the extent that upon original issuance thereof such Bonds were issued as Bonds the interest on which is excludable from gross income for federal income tax purposes). The foregoing conditions will, however, apply to Additional Bonds issued to refund Subordinated Indebtedness and to Additional Bonds issued for refunding purposes which cannot meet the conditions of paragraph (c) above.

Debt Service Reserve Fund

The Trust Indenture establishes a Debt Service Reserve Fund. The Debt Service Reserve Fund shall constitute an irrevocable trust fund to be applied solely as set forth in the Trust Indenture and is required to be held by the Trustee separate and apart from all other Funds and Accounts held under the Trust Indenture and from all other moneys of the Trustee. The term "Debt Service Reserve Requirement" is defined in the Trust Indenture to mean, at the date on which such Debt Service Reserve Requirement is being calculated, an amount equal to the lesser of (i) the maximum annual Debt Service Requirements for all Outstanding Bonds, (ii) 125% of the average annual Debt Service Requirements for all Outstanding Bonds, and (iii) 10% of the proceeds (within the meaning of the Code) of all Outstanding Bonds.

The Series 2022A Indenture establishes the Series 2022A Debt Service Reserve Account within the Debt Service Reserve Fund. The Series 2022A Indenture amends the Trust Indenture with respect to the Series 2022A Bonds to provide that the "Debt Service Reserve Requirement" shall mean, with respect to the Series 2022A Bonds, at the date on which such Debt Service Reserve Requirement is being calculated, an amount equal to fifty percent (50%) of the lesser of (i) the maximum annual Debt Service Requirements for all Outstanding Series 2022A Bonds, (ii) 125% of the average annual Debt Service Requirements for all Outstanding Series 2022A Bonds, and (iii) 10% of the proceeds (within the meaning of the Code) of all Outstanding Series 2022A Bonds. On the date of issuance and delivery of the Series 2022A Bonds, the Series 2022A Debt Service Reserve Insurance Policy in an amount equal to the Debt Service Reserve Requirement with respect to the Series 2022A Bonds shall be deposited to the Series 2022A Debt Service Reserve Account. Notwithstanding the provisions of the Trust Indenture to the contrary, amounts on deposit in the Debt Service Reserve Fund or any account other than the Series 2022A Debt Service Reserve Account therein, including a surety policy, if any shall not be available for the benefit of the Series 2022A Bondholders.

On the date of issuance and delivery of any other Series of Bonds thereafter, an amount of Bond proceeds equal to the increase in the Debt Service Reserve Requirement, if any, as a result of the issuance of such Series of Bonds, calculated as of the date of issuance and delivery of such Series of Bonds, shall be deposited in the Debt Service Reserve Fund. As long as there exists no default under the Trust Indenture and the amount in the Debt Service Reserve Fund is not reduced below the then applicable Debt Service Reserve Requirement, earnings on investments in the Debt Service Reserve Fund shall be transferred to the Revenue Fund. Otherwise, earnings on investments in the Debt Service Reserve Fund shall be retained in the Debt Service Reserve Fund until applied as set forth in the Trust Indenture. In the event that the amount in the Debt Service Reserve Fund exceeds the Debt Service Reserve Requirement due to a decrease in the then applicable Debt Service Reserve Requirement or any other reason, the excess amount shall be transferred from the Debt Service Reserve Fund to the Revenue Fund.

Whenever for any reason on an interest or principal payment date or mandatory sinking fund redemption date with respect to Bonds secured by the Debt Service Reserve Fund, the amount in the Interest Account, the Principal Account or the Sinking Fund Account, as the case may be, after taking account of transfers to such Accounts from the Surplus Fund in accordance with the Trust Indenture, is insufficient to pay all amounts payable on such Bonds therefrom on such payment dates, the Trustee shall, without further instructions, transfer the amount of any such deficiency from the Debt Service Reserve Fund into the Interest Account, the Principal Account and the Sinking Fund Account, as the case may be, with priority to the Interest Account and then, proportionately according to the respective deficiencies therein, to the Principal Account and the Sinking Fund Account, to be applied to pay the Bonds secured by the Debt Service Reserve Fund.

Notwithstanding the foregoing, in lieu of the required deposits into the Debt Service Reserve Fund, the District on behalf of the Issuer may, with the consent of any applicable Credit Facility Issuer or Liquidity Facility Issuer whose Credit Facility or Liquidity Facility, as applicable, is then in effect with respect to any of the Bonds secured by the Debt Service Reserve Fund, cause to be deposited into the Debt Service Reserve Fund a Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit either in lieu of any cash amount required to be deposited therein in connection with the issuance of any Series of Bonds or in substitution for the full amounts then on deposit therein or in an amount equal to the difference between the amount required to be deposited and the sum, if any, then on deposit in the Debt Service Reserve Fund, which Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit shall be drawn upon (upon the giving of notice as required thereunder) on any Interest Payment Date or principal payment date, including a Sinking Fund Installment date, on which a deficiency exists which cannot be remedied by moneys in any other Fund or Account held pursuant to the Trust Indenture and available for such purpose. If any such Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit is substituted for moneys on deposit in the Debt Service Reserve Fund, or if at any time there are excess moneys in the Debt Service Reserve Fund, the excess moneys in the Debt Service Reserve Fund shall be transferred to and deposited in the Revenue Fund. If a disbursement is made from a Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit, the District shall be obligated to either reinstate the maximum limits of such Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit immediately following such disbursement or to deposit into the Debt Service Reserve Fund, as provided in the Trust Indenture for restoration of withdrawals from the Debt Service Reserve Fund, funds in the amount of the disbursement made under such Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit.

In the event that upon the occurrence of any deficiency in the Interest Account, the Principal Account or the Sinking Fund Account, the Debt Service Reserve Fund is then funded with a Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy, the Trustee shall, on an interest or principal payment date, including a Sinking Fund Installment date, to which such deficiency relates, draw upon the Debt Service Reserve Letter of Credit or cause to be paid under the Debt Service Reserve Insurance

Policy an amount sufficient to remedy such deficiency, in accordance with the terms and provisions of the Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy as applicable, and any corresponding reimbursement or other agreement governing the Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy; provided, however, that if at the time of such deficiency the Debt Service Reserve Fund is only partially funded with a Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy, prior to drawing on the Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy, as applicable, the Trustee shall first apply any cash and securities on deposit in the Debt Service Reserve Fund to remedy the deficiency in accordance with the provisions of the Trust Indenture and, if after such application a deficiency still exists, the Trustee shall make up the balance of the deficiency by drawing on the Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy, as provided in this sentence. Amounts drawn on the Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy shall be applied as set forth in the Trust Indenture. Any amounts drawn under a Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy shall be reimbursed to the issuer thereof in accordance with the terms and provisions of the reimbursement or other agreement governing such Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy.

Funds and Accounts and Flow of Funds

Revenue Fund

The District shall immediately pay to the Trustee for deposit in the Funds and Accounts, all Pledged Revenues received by the District; provided, however, that prior to the payment of any Pledged Revenues by the District to the Trustee, Operating Revenues of the District shall first be deposited each month by the District into the Operating Fund held by the District in an amount equal to the Operating Expenses for such month (which amount need not be the same in each month and which amount may be amended) set forth in the current Annual Budget; and provided further, that the District shall segregate and separately identify for the Trustee Pledged Revenues consisting of Connection Charges, if any, from all other Pledged Revenues.

The Trust Indenture establishes a Revenue Fund into which the Trustee shall, except as otherwise provided in the preceding paragraph, immediately deposit any and all Pledged Revenues (except for Pledged Revenues consisting of Connection Charges, if any) and other payments received by the Trustee under the Series 2022A Indenture. The Revenue Fund shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Trust Indenture and from all other moneys of the Trustee. Upon receipt the Trustee shall deposit any Connection Charges in the Connection Charge Fund and apply such Connection Charges as provided in the Trust Indenture. The Trustee shall make monthly transfers from the amounts on deposit in the Revenue Fund to the Funds and Accounts, as hereinafter described, other than investment income; provided however, that the amount, timing and frequency of transfers from the Revenue Fund and deposits into the other Funds and Accounts established under the Trust Indenture or any other funds or accounts which may be established pursuant to a Certified Resolution of the District or a Supplemental Indenture relating to a specific Series of Bonds, may be modified with respect to any Series of Bonds as specifically provided in the Certified Resolution of the District or Supplemental Indenture relating to such Series of Bonds. If in any month a Fund or Account shall have on deposit therein the amount required for such month, then no deposit of Pledged Revenues shall be made into such Fund or Account, and the Trustee shall make deposits into the Fund or Account next in order of priority. The monthly transfers from the amounts on deposit in the Revenue Fund to the Funds and Accounts established under the Trust Indenture shall be made in the following order of priority on or before the first day of each month while Bonds issued under the Trust Indenture remain Outstanding:

FIRST, to the Interest Account of the Debt Service Fund, an amount equal to one-sixth (1/6) of the interest becoming due on the next succeeding Interest Payment Date on the Bonds, less any amount on

deposit in the Interest Account for such month not previously credited, plus any amount that was scheduled to be deposited in the Interest Account but was not so deposited;

SECOND, to the Principal Account of the Debt Service Fund, an amount equal to one-twelfth (1/12) of the principal amount of Bonds maturing on the next succeeding principal payment date, less any amount on deposit in the Principal Account for such month not previously credited, plus any amount that was scheduled to be deposited in the Principal Account but was not so deposited;

THIRD, to the Sinking Fund Account of the Debt Service Fund, an amount equal to one-twelfth (1/12) of the principal amount of Bonds subject to mandatory sinking fund redemption on the next succeeding principal payment date, less any amount on deposit in the Sinking Fund Account for such month not previously credited, plus any amount that was scheduled to be deposited in the Sinking Fund Account but was not so deposited;

FOURTH, to the Debt Service Reserve Fund, an amount equal to the greater of (i) one-twelfth (1/12) of the Debt Service Reserve Requirement or (ii) the amount, if any, which is necessary to make the amount on deposit therein equal to the Debt Service Reserve Requirement;

FIFTH, to the District for deposit in the Operation Reserve Fund an amount certified by the District to be equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Operation Reserve Requirement;

SIXTH, to the Renewal and Replacement Reserve Fund an amount certified by the District to be equal to the greater of (i) one-twelfth (1/12) of the Renewal and Replacement Reserve Requirement or (ii) one-twelfth (1/12) of the amount, if any, which is necessary to make the amount on deposit therein equal to the Renewal and Replacement Reserve Requirement; and

SEVENTH, the balance of any moneys remaining after making the foregoing deposits shall be remitted to the Surplus Fund for use as provided in the Trust Indenture, including deposit to the Rate Stabilization Fund.

Operating Fund

The Trust Indenture establishes as a separate fund, not subject to the lien of the Trust Indenture, an Operating Fund. Operating Revenues are required to be deposited into the Operating Fund in accordance with the Trust Indenture, and such revenues shall not be subject to the lien of the Trust Indenture. The District shall apply moneys in the Operating Fund to pay current Operating Expenses of the Utilities System. The District must maintain records of all disbursements from the Operating Fund, which records shall be subject to inspection at reasonable times by the Trustee, any Credit Facility Issuer and any Liquidity Facility Issuer. The District is required to prepare and distribute to the Trustee, and any Credit Facility Issuer and any Liquidity Facility Issuer, no later than the fifteenth (15th) day of each month, a report summarizing all disbursements made from the Operating Fund during the preceding calendar month. Such report shall include a listing of each payment made from the Operating Fund, the name of the payee for each disbursement and the purpose by general classification for which each obligation was incurred.

Operation Reserve Fund

The Trust Indenture establishes as a separate fund, not subject to the lien of the Trust Indenture, an Operation Reserve Fund. Operating Revenues shall be deposited to the Operation Reserve Fund in accordance with the Trust Indenture, and such revenues shall not be subject to the lien of the Trust

Indenture. The District shall apply moneys in the Operation Reserve Fund solely for the purpose of paying current Operating Expenses for which there is insufficient money in the Operating Fund.

Before any disbursement shall be made by the District from the Operation Reserve Fund, the District shall file with the Trustee, and any Credit Facility Issuer and any Liquidity Facility Issuer, a statement signed by the District Manager stating: (a) the item number of such payment; (b) the name of the person, firm or corporation to whom each such payment is due; (c) the respective amounts to be paid; (d) the purpose by general classification for which each obligation to be paid was incurred; and (e) that obligations in the stated amounts have been incurred by the District and are presently due and payable, that each item thereof was properly incurred as an item of current Operating Expenses and has not been paid, and that there were no moneys then available in the Rate Stabilization Fund to make such payments.

Renewal and Replacement Reserve Fund

The Trust Indenture establishes a Renewal and Replacement Reserve Fund. The Renewal and Replacement Reserve Fund shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Trust Indenture and from all other moneys of the Trustee. Moneys in the Renewal and Replacement Reserve Fund may be used solely for the purpose of paying Major Non-Recurring Expenses and to make up any deficiency in the Operating Fund that cannot be remedied by transfers to the Operating Fund from the Operation Reserve Fund. Moneys in the Renewal and Replacement Reserve Fund shall be disbursed by the Trustee in the same manner as moneys in the Operating Reserve Fund, except as set forth in the Trust Indenture with respect to disbursements for which the purpose is to pay all or part of the Cost of a Capital Addition or some such similar item. Any amounts deposited into the Renewal and Replacement Reserve Fund which represent the proceeds of insurance or condemnation awards must be used to repair, rebuild, replace or restore the damaged, destroyed or condemned property.

Surplus Fund

The Trust Indenture establishes a Surplus Fund, into which shall be deposited certain excess moneys as described above under the subheading "Revenue Fund." The Surplus Fund shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Trust Indenture and from all other moneys of the Trustee. All earnings on investments held in the Surplus Fund are to be retained therein to be applied in the same manner as other moneys on deposit in the Surplus Fund.

Moneys in the Surplus Fund (including, without limitation, all earnings on investments held in the Surplus Fund) shall be accumulated therein to be used in the following order of priority, to the extent that the need therefor arises:

FIRST, to be paid into the Interest Account, the Principal Account or the Sinking Fund Account, as the case may be, to the extent that a deficiency exists therein, as provided in the Trust Indenture;

SECOND, to be paid into the Debt Service Reserve Fund, to the extent that the balance therein is less than the Debt Service Reserve Requirement, as provided in the Trust Indenture;

THIRD, to make such deposits into the Rebate Fund as are required to be made under any Arbitrage Rebate Agreement, such moneys thereupon to be used solely for the purposes specified in the applicable Arbitrage Rebate Agreement. Any moneys so transferred from the Surplus Fund to the Rebate Fund shall thereupon be free from the lien and pledge of the Trust Indenture;

FOURTH, to be deposited in the Renewal and Replacement Reserve Fund in the amount necessary to make the amount on deposited therein equal to the Renewal and Replacement Reserve Requirement;

FIFTH, on the last Business Day of each Fiscal Year, after having made any deposits or payments required under paragraphs FIRST through FOURTH above and to the extent not already paid or provided for from money on deposit in the other Funds and Accounts established under the Trust Indenture in accordance with the agreement pursuant to which any Credit Facility or Liquidity Facility has been issued and Supplemental Indenture relating to the issuance or the Certified Resolution of the District authorizing the issuance of a Series of Bonds to which such Credit Facility or Liquidity Facility relates, to reimburse any Credit Facility Issuer or Liquidity Facility Issuer for any unreimbursed draws thereunder, in accordance with the terms of the applicable Credit Facility Agreement or Liquidity Facility Agreement; and

SIXTH, on the last Business Day of each Fiscal Year, after having made any deposits or payments required under paragraphs FIRST through FIFTH hereof, for such other purpose or purposes as may be set forth in a Supplemental Indenture; and

SEVENTH, for any lawful purpose of the District or otherwise to or for the benefit of the District.

Connection Charge Fund

The Trust Indenture authorizes the Trustee to establish, at the direction of the District on behalf of the Issuer, a Connection Charge Fund to be held by the Trustee separate and apart from all other Funds and Accounts held under the Trust Indenture and from all other moneys of the Trustee. To the extent required by law and imposed by the District, for so long as there are any Bonds Outstanding which are secured by the Trust Indenture, there shall be paid by the District to the Trustee for deposit into the Connection Charge Fund all Connection Charges, if any, charged and collected by the District. The moneys, if any, on deposit in the Connection Charge Fund, together with the investment earnings thereon, shall be used by the Trustee, to the extent permitted by state law, in the following manner and order of priority:

FIRST, for deposit into the Interest Account, the Principal Account and the Sinking Fund Account in the Debt Service Fund, as needed, as determined and directed by the District, in order to make such payments of principal of, redemption premium, if any, and interest on Bonds issued to finance the Costs of the Utilities System or any Capital Additions thereto in respect of which the Connection Charges have been imposed; and

SECOND, to pay the Costs of constructing or expanding, oversizing, separating or constructing Capital Additions to the Utilities System in respect of which the Connection Charges have been imposed.

Rate Stabilization Fund

The Trust Indenture establishes a Rate Stabilization Fund. The District may, from time to time, for the purpose of preventing or minimizing future increases in rates and charges, deposit available moneys of the District as it deems appropriate, as well as direct the Trustee to transfer sums remaining in the Surplus Fund pursuant to the Trust Indenture to the Rate Stabilization Fund. Moneys transferred into the Rate Stabilization Fund shall be deducted from Net Revenues for the specified period of time. Any monies deposited in the Rate Stabilization Fund shall be trust funds to be held and applied, prior to the application of sums in the Operation Reserve Fund, to the payment of Operating Expenses. At the direction of the District as it deems appropriate, the Trustee may transfer moneys in the Rate Stabilization Fund into the Operating Fund. Monies transferred to the Operating Fund shall be included in Net Revenues for the specified period of time.

Rate Covenant

As long as any of the principal of or interest on any of the Bonds shall be Outstanding and unpaid, or until there shall have been set apart in the Debt Service Fund a sum sufficient to pay, when due, the entire principal of the Bonds remaining unpaid, together with interest accrued and to accrue thereon, the District covenants that it will impose and collect rates, fees, rentals and charges, and continue to impose and collect rates, fees, rentals and charges, for the use of the Utilities System sufficient to meet all of its obligations under the Trust Indenture, raising the same when required under the provisions of the Trust Indenture and reducing the same only as permitted under the Trust Indenture.

The District shall at all times fix, charge and collect such rates, fees, rentals and charges for access to and use of the products, services and facilities furnished by the Utilities System, and revise the same from time to time whenever necessary, as shall be required in order that in each Fiscal Year: (i) Net Revenues (including earnings and investment income derived from the investment of moneys on deposit in the remaining Funds created under the Trust Indenture), together with Connection Charges shall, after giving credit for any capitalized interest, at least equal one hundred ten percent (110%) of the annual Debt Service Requirements of all Outstanding Bonds falling due in each such Fiscal Year computed as of the beginning of such Fiscal Year, and (ii) Operating Revenues, together with Connection Charges and amounts transferred from the Surplus Fund shall, after giving credit for any capitalized interest, at least equal one hundred percent (100%) of the Operating Expenses, Debt Service Requirements of all Outstanding Bonds falling due in such Fiscal Year computed as of the beginning of such Fiscal Year, and all other amounts required by the Trust Indenture to be deposited to the Debt Service Reserve Fund, the Operation Reserve Fund and the Renewal and Replacement Reserve Fund in such Fiscal Year.

On or before the ninetieth (90th) day prior to the end of each Fiscal Year, the Consulting Engineer shall complete a review of the financial condition of the Utilities System for the purpose of calculating whether Net Revenues, Operating Revenues and Connection Charges (if applicable) will be sufficient to meet the requirements therefor, as set forth above, for the ensuing Fiscal Year, and the District shall by resolution make a determination with respect thereto, a copy of which resolution shall be filed with the Trustee. If the District determines that Net Revenues, Operating Revenues and Connection Charges (if applicable) may not be sufficient to meet the respective requirements therefor, as set forth above, it shall forthwith cause the Rate Consultant to perform a study for the purpose of recommending a schedule of rates, fees, rentals and charges for the Utilities System, within the limits allowed by State law, which in the opinion of the Rate Consultant will cause sufficient revenues to be collected in the following Fiscal Year to provide Net Revenues, Operating Revenues and Connection Charges (if applicable) to meet the respective requirements therefor, as set forth above, for such following Fiscal Year and will cause revenues to be collected in such following and later Fiscal Years sufficient to restore the amount of such deficiency in Net Revenues, Operating Revenues and Connection Charges (if applicable) at the earliest practicable time. If, in any Fiscal Year, the revenues collected shall not have been sufficient to provide Net Revenues, Operating Revenues and Connection Charges (if applicable) to meet the respective requirements, as set forth above, the District shall (i) unless it has already obtained a study and recommendation in compliance with the immediately preceding sentence, forthwith cause the Rate Consultant to perform a study for the purpose stated in such sentence and (ii) as promptly as practicable, and in any case no later than the first day of the next succeeding Fiscal Year, establish and place in effect a schedule of rates, fees, rentals and charges after considering the recommendations of the Rate Consultant.

The District may reduce any of its rates, fees, rentals and charges for access to and use of the products, services and facilities furnished by the Utilities System, so long as, after giving effect to such reduction in rates, fees, rentals and charges, the Rate Consultant estimates (i) Net Revenues and Connection Charges for the current and each Future Fiscal Year shall at least equal one hundred ten (110%) of the Debt Service Requirements of the Outstanding Bonds for the current and each future Fiscal Year, and (ii)

Operating Revenues and Connection Charges shall at least equal one hundred percent (100%) of the Operating Expenses, the Debt Service Requirements of the Outstanding Bonds for the current and each future Fiscal Year and all other amounts required by the Trust Indenture to be deposited to the Debt Service Reserve Fund, Operation Reserve Fund and Renewal and Replacement Reserve Fund.

The District shall forthwith upon the adoption of any schedule of rates, fees, rentals and charges or revision thereof, file a certified copy thereof with the Trustee.

Permitted Investments

Amounts on deposit in the Funds and Accounts established under the Trust Indenture may only be invested in "Investment Securities," as more particularly set forth in the Trust Indenture. The term "Investment Securities" is defined in the Trust Indenture to 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 (direct obligations of, or obligations the timely payment of principal of and interest on which are unconditionally guaranteed by, the United States of America);
- (ii) bonds, debentures, notes or other evidences of indebtedness issued by any agency or instrumentality of the United States of America the payment of the principal of and interest on which are unconditionally guaranteed by the full faith and credit of the United States of America;
- (iii) shares of money market mutual funds that invest only in the obligations described in (i) and (ii) above, including money market mutual funds of the Trustee bank meeting such criteria;
- (iv) investments of money market funds which funds are rated in the highest categories for such funds by either Moody's or S&P, including those of the Trustee;
- (v) commercial paper which at the time of purchase is rated in the highest rating category without regard to gradations within such category by either S&P or Moody's;
- (vi) repurchase agreements with financial institutions fully secured by Government Obligations; and
- (vii) other investments permitted by Florida law and any investment policy of the District.

Any investment directed by the District constitutes a representation by the District that such investment is permitted under the Trust Indenture.

Insurance Considerations

THE SERIES 2022A CREDIT FACILITY SECURES ONLY THE SERIES 2022A BONDS. The Insurer shall have the right to consent to any amendment or supplement to the Series 2022A Indenture that requires the consent of the Holders. Further, any amendment or supplement to the Series 2022A Indenture that adversely affects the rights of the Insurer will be subject to the prior written consent of the Insurer. See "APPENDIX C: COPY OF TRUST INDENTURE AND FORM OF SUPPLEMENTAL INDENTURE" hereto for additional information regarding the Insurer's rights. See also "BOND INSURANCE" and "INVESTMENT CONSIDERATIONS – Insurance-Related Considerations" herein.

The following applies while the Insurer is not in default under the Series 2022A Credit Facility:

Upon the occurrence and continuance of an Event of Default under the Series 2022A Indenture, the Insurer shall be deemed to be the sole Holder of the Series 2022A Bonds for all purposes under the Series 2022A Indenture, including, without limitation, for purposes of exercising remedies with respect thereto. No Event of Default may be waived with respect to the Series 2022A Bonds, and no acceleration of the Series 2022A Bonds may occur, without the Insurer's prior written consent.

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BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Series 2022A Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its municipal bond insurance policy for the Series 2022A Bonds (the "Series 2022A Credit Facility" or the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Series 2022A Bonds when due as set forth in the form of the Policy included APPENDIX G to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Assured Guaranty Municipal Corp.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO." AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and international public finance (including infrastructure) and structured finance markets and asset management services. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A1" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On March 18, 2022, Moody's announced it had upgraded AGM's insurance financial strength rating to "A1" (stable outlook) from "A2" (stable outlook). AGM can give no assurance as to any further ratings action that Moody's may take.

On October 20, 2021, KBRA announced it had affirmed AGM's insurance financial strength rating of "AA+" (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

On July 8, 2021, S&P announced it had affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2021.

Capitalization of AGM

At [December 31, 2021]:

- The policyholders' surplus of AGM was approximately \$3,053 million.
- The contingency reserve of AGM was approximately \$877 million.
- The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately \$2,127 million. Such amount includes (i) 100% of the net unearned premium reserve and deferred ceding commission income of AGM, and (ii) the net unearned premium reserves and net deferred ceding commissions of AGM's wholly owned subsidiaries Assured Guaranty UK Limited ("AGUK") and Assured Guaranty (Europe) SA ("AGE").

The policyholders' surplus of AGM and the contingency reserves, net unearned premium reserves and deferred ceding commission income of AGM were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of the following document filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof: the Annual Report on Form 10-K for the fiscal year ended December 31, 2021 (filed by AGL with the SEC on February 25, 2022).

All information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Series 2022A Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at <http://www.sec.gov>, at AGL's website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "**BOND INSURANCE – Assured Guaranty Municipal Corp.**" or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AGM makes no representation regarding the Series 2022A Bonds or the advisability of investing in the Series 2022A Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "**BOND INSURANCE.**"

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ESTIMATED SOURCES AND USES OF THE SERIES 2022A BOND PROCEEDS

	Series 2022A Bonds
Sources of Funds	
Principal Amount of Series 2022A Bonds	\$ _____
[Plus/Less: [Net] Original Issue Premium/Discount]	\$ _____
Other Legally Available District Monies ⁽¹⁾	
Total Sources	\$ _____
Uses of Funds	
Deposit to Series 2011 Bond Redemption Fund	\$ _____
Costs of Issuance ⁽²⁾	_____
Total Uses	\$ _____

(1) Transferred from the Debt Service Reserve Fund as a result of the refunding of the Refunded Bonds.

(2) Includes costs of issuing the Series 2022A Bonds, including the premiums for the Series 2022A Credit Facility and the related Series 2022A Debt Service Reserve Insurance Policy and Underwriters' discount.

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DISTRICT DEBT SERVICE REQUIREMENTS

<u>Date</u> <u>(September 1)</u>	<u>Series 2022A Bonds</u>		<u>Series 2022B Bonds</u>		<u>Period</u> <u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
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2052					
TOTALS					

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THE DISTRICT

General

The District is a unit of special purpose local government of the State of Florida created by and in accordance with the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"). The Issuer was established pursuant to the Act by Ordinance No. 02-11, enacted by the Board of County Commissioners of the County on May 7, 2002, as amended.

The Interlocal Agreements

The District and the Issuer, along with Candler CDD (collectively, the "Districts"), are each located entirely within the jurisdictional boundaries of Marion County, Florida. The Districts have entered into an Interlocal Agreement dated as of February 13, 2006, recorded in the Public Records of Marion County, Florida (the "Interlocal Agreement"), as may be further amended, pursuant to which the Issuer and Candler CDD have delegated to the District the power and authority to act on behalf of all the Districts to finance, acquire, construct, operate, and maintain Projects benefiting land within each of the Districts, individually, or all of the Districts collectively, and to operate and maintain the Project (as defined in the Interlocal Agreement). The District has also entered into the County Interlocal Agreement, under the terms of which the District is authorized to operate and manage the Utilities System within certain areas within the County, but outside of the boundaries of the District.

The District and the Issuer have also entered into an Interlocal Agreement dated May 17, 2022 (the "Refunding Interlocal Agreement"), whereby the Issuer has agreed to serve as the issuer of the Series 2022A Bonds to refund the Refunded Bonds, and the District has agreed and covenanted to pledge the Pledged Revenues to the repayment of the Series 2022A Bonds pursuant to the Trust Indenture on parity with all of the District's other outstanding Bonds issued under the Trust Indenture. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS" herein for more information.

THE ISSUER

Legal Powers and Authority

The Issuer is an independent unit of special single-purpose local government of the State of Florida, created by and in accordance with the Act. The Issuer was established pursuant to the Act by Ordinance No. 02-26, enacted by the Board of County Commissioners of the County on November 5, 2002, effective on November 15, 2002. The Act was enacted in 1980 to provide a uniform method for the establishment, operation and termination of independent districts to manage and finance basic community development systems, facilities and services, including capital infrastructure required for community developments throughout the State of Florida. The Act provides legal authority for community development districts to finance the acquisition, construction, operation, 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 special 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 to levy and assess ad valorem taxes on all taxable real and tangible personal property, and to levy non-ad valorem special assessments on specially benefited lands, within their boundaries to pay the principal of and interest on bonds issued and to provide for any sinking or other funds established in connection with any such bond issues.

Among other provisions, the Act gives a district's Board of Supervisors the right: (i) to 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) to finance, fund, plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate and maintain systems and facilities for various basic infrastructures, including district roads equal to or exceeding the specifications of the county in which such district roads are located, facilities for indoor and outdoor recreational, cultural and educational uses, and any other project within or without the boundaries of the district when a local government has issued a development order approving or expressly requiring the construction or funding of the project by the district, or when the project is the subject of an agreement between the district and a governmental entity and is consistent with the local government comprehensive plan of the local government within which the project is to be located or pursuant to a development order condition on the developer which, by operation of law, would apply to a district project; (iii) to borrow money and issue bonds of the district; and (iv) to exercise all other powers necessary, convenient, incidental, or proper in connection with any of the powers or duties of the district stated in the Act.

The Act does not empower the districts to adopt and enforce land use plans or zoning ordinances, and the Act does not empower the districts to grant building permits; these functions are performed by the County acting through its governing body and departments of government.

The Act exempts all property of the districts 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 districts to pursue any remedy for enforcement of any lien or pledge of the districts in connection with such bonds, including the Series 2022A Bonds.

Board of Supervisors

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

The landowners in the Issuer elect two Supervisors to four-year terms and one Supervisor to a two-year term at bi-annual elections. Six years after the initial appointment of Supervisors and after the Issuer 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 Issuer. A qualified elector is a registered voter who is at least eighteen years of age, a resident of the Issuer 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 for 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, and be themselves, qualified electors of the Issuer. 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 of the Issuer and the term of each member are set forth below:

**Indigo East Community Development District
Board of Supervisors**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
John Gysen	Chairperson	November 2022
Cynthia LaFrance	Vice Chairman	November 2024
Harold Brouillard	Assistant Secretary	November 2024
Robert Hutson	Assistant Secretary	November 2022
Terrance (Terry) Solan	Assistant Secretary	November 2022

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

The District Manager and Other Consultants

The Act authorizes the Board to hire a District Manager as the chief administrative official of that 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 provision of the Act; (ii) maintaining and operating the equipment owned by such district; and (iii) performing such other duties as may be prescribed by the Board.

The Issuer and the District have retained Governmental Management Services-Central Florida, LLC as the firm to provide district management services for the Issuer and the District (in that capacity, the "District Manager"). The District Manager's office is located at 219 E. Livingston Street, Orlando, Florida 32801 and its telephone number is 407-841-5524.

The Act further authorizes the Issuer to hire such employees and agents as it deems necessary. Colen & Wagoner, P.A., Clearwater, Florida, is serving as Counsel to the Issuer and the District; and Kutak Rock LLP, Tallahassee, Florida, is serving as special counsel to the Issuer and the District for Bond financing matters. Greenberg Traurig, P.A., Tallahassee, Florida is serving as Bond Counsel, GAI Consultants, Inc., Orlando, Florida, is serving as District Engineer, Kimley-Horn and Associates, Inc., Ocala, Florida, is serving as Consulting Engineer and Willdan Financial Services, is serving as the Feasibility Consultant.

INVESTMENT CONSIDERATIONS

In analyzing the offering of the Series 2022A Bonds made by this Official Statement, prospective purchasers should carefully consider the following risk factors, among others, which may adversely affect the security for and timely payment of the Series 2022A Bonds. The material appearing under this caption, however, does not purport to summarize all risks that may be associated with purchasing or owning the Series 2022A Bonds, and prospective purchasers are advised to read this Official Statement in its entirety

for a more complete description of factors to be considered in investment decisions relating to the Series 2022A Bonds.

Regulatory Risks

The District is required to obtain permits and approvals and periodic renewals thereof in connection with the operation of the Utilities System. Although the Engineer's Report attached hereto as APPENDIX A indicates that all of such required permits and approvals have been obtained, or may be obtained in the ordinary course with respect to the components of the Utilities System to be constructed, and that assuming compliance, the WUP and FDEP permits for the Utilities System can be renewed upon expiration thereof, there is no assurance that such permits and approvals will be obtained or renewed upon expiration. See "THE UTILITIES SYSTEM" herein and "APPENDIX A: ENGINEER'S REPORT" hereto for more information. Failure to obtain permits and approvals, or renewals of permits and approvals, may have an adverse impact on the Utilities System and Net Revenues.

In addition, the continued buildout of the Service Area is subject to comprehensive federal, state and local regulations and future changes to such regulations. Certain permits, approvals or renewals are required from various public agencies in connection with, among other things, the design, nature and extent of required improvements and construction activity. Failure to obtain any such permits, approvals or renewals in a timely manner could delay or adversely affect the continued buildout of the Service Area, which may negatively impact the Utilities System and Net Revenues.

Failure to Complete Development of the Service Area

The residential and commercial uses anticipated in the Service Area are not fully built out. See "THE UTILITIES SYSTEM – Service Area" and "THE DEVELOPMENT" herein for more information. There can be no assurance as to whether or to what degree homes or commercial units will be built within all of the Service Area or whether such units will ultimately be sold to end users. The further development of land within the Service Area may be affected by changes in general economic conditions, supply chain delays, fluctuations in the real estate market and other factors. In addition, the land in the Service Area remaining to be developed may be subject to comprehensive federal, state and local regulations and future changes to such regulations. Certain permits, approvals or renewals are required from various public agencies in connection with, among other things, the design, nature and extent of required public improvements and construction activity in accordance with applicable zoning, land use and environmental regulations for the Service Area.

If development is slower than anticipated, the number and pace of connections to the Utilities System may not be achieved as anticipated. In such event, the District may be required to increase rates, fees and charges for use of the Utilities System in order to maintain compliance with the Rate Covenant set forth in the Trust Indenture. User charges and fees constitute a personal indebtedness of the customers of the Utilities System and are not secured by a lien on land. There is no assurance that customers of the System will be able to pay the rates, fees and charges imposed with respect to the System, that they will pay such rates, fee and charges even though financially able to do so or that personal judgments against such owners on account of nonpayment ultimately will result in the collection of delinquent user charges and fees.

Economic Conditions and Changes in Development Plans

The continued development of land within the Service Area may be affected by changes in general economic conditions, fluctuations in the real estate market and other factors. Moreover, the Developer has the right to modify or change its plan for development of the lands within the Service Area, from time to

time, including, without limitation, land use changes, changes in the overall land and phasing plans, and changes to the type, mix, size and number of units to be developed, which could negatively impact the assumptions set forth in the Feasibility Report.

The District and the Issuer may have incomplete information concerning the land within the Service Area. For example, the District and the Issuer have limited information concerning the condition of land in the Service Area, its suitability for future development and its value. The value of the land within the Service Area and the success of the further development of the land in the Service Area could be affected by environmental factors with respect to the land in the Service Area. Should the land be contaminated by hazardous materials, this could materially and adversely affect the value of the land in the Service Area, which could materially and adversely affect the collection of Net Revenues. The District and the Issuer have not performed, nor have the District or the Issuer requested that there be performed on their behalf, any independent assessment of the environmental conditions within the Service Area.

IRS Examination and Audit Risk

The Internal Revenue Service (the "IRS") routinely examines bonds issued by state and local governments, including bonds issued by community development districts. In 2016, the IRS concluded its lengthy examination of certain issues of bonds (for purposes of this subsection, the "Audited Bonds") issued by Village Center Community Development District (the "Village Center CDD"). During the course of the audit of the Audited Bonds, Village Center CDD received a ruling dated May 30, 2013, in the form of a non-precedential technical advice memorandum ("TAM") concluding that Village Center CDD is not a political subdivision for purposes of Section 103(a) of the Code because Village Center CDD was organized and operated to perpetuate private control and avoid indefinitely responsibility to an electorate, either directly or through another elected state or local government body. Such a conclusion could lead to the further conclusion that the interest on the Audited Bonds was not excludable from gross income of the owners of such bonds for federal income tax purposes. Village Center CDD received a second TAM dated June 17, 2015, which granted relief to Village Center CDD from retroactive application of the IRS's conclusion regarding its failure to qualify as a political subdivision. Prior to the conclusion of the audits, the Audited Bonds were all refunded with taxable bonds. The audit of the Audited Bonds that were issued for utility improvements were closed without change to the tax exempt status of those Audited Bonds on April 25, 2016, and the audit of the remainder of the Audited Bonds (which funded recreational amenity acquisitions from entities related to the principal landowner in the Village Center CDD) was closed on July 14, 2016, without the IRS making a final determination that the interest on the Audited Bonds in question was required to be included in gross income. However, the IRS letter to the Village Center CDD with respect to this second set of Audited Bonds noted that the IRS found that the Village Center CDD was not a "proper issuer of tax-exempt bonds" and that those Audited Bonds were private-activity bonds that did not fall in any of the categories that qualify for tax-exemption. Although the TAMs and the letters to the Village Center CDD from the IRS referred to above are addressed to, and binding only on, the IRS and Village Center CDD in connection with the Audited Bonds, they reflect the audit position of the IRS, and there can be no assurance that the IRS would not commence additional audits of bonds issued by other community development districts raising issues similar to the issues raised in the case of the Audited Bonds based on the analysis set forth in the first TAM or on the related concerns addressed in the July 14, 2016 letter to the Village Center CDD.

On February 23, 2016, the IRS published proposed regulations designed to provide prospective guidance with respect to potential private business control of issuers by providing a new definition of political subdivision for purposes of determining whether an entity is an appropriate issuer of bonds the interest on which is excluded from gross income for federal tax purposes. The proposed regulations require that a political subdivision (i) have the power to exercise at least one sovereign power, (ii) be formed and operated for a governmental purpose, and (iii) have a governing body controlled by or have significant uses

of its funds or assets otherwise controlled by a government unit with all three sovereign powers or by an electorate that is not controlled by an unreasonably small number of unrelated electors. On October 4, 2017, the Treasury Department ("Treasury") announced that it would withdraw the proposed regulations, stating that, "while Treasury and the IRS continue to study the legal issues relating to political subdivisions, Treasury and the IRS currently believe that these proposed regulations should be withdrawn in their entirety, and plan to publish a withdrawal of the proposed regulations shortly in the Federal Register. Treasury and the IRS may propose more targeted guidance in the future after further study of the relevant legal issues." Notice of withdrawal of the proposed regulations was published in the Federal Register on October 20, 2017.

It has been reported that the IRS has closed audits of other community development districts in Florida with no change to such districts' bonds' tax-exempt status, but has advised such districts that such districts must have public electors within the timeframe established by the applicable state law or their bonds may be determined to be taxable retroactive to the date of issuance. Pursuant to the Act, general elections are not held until the later of six years from the date of establishment of the community development district or the time at which there are at least 250 qualified electors in the district. The Issuer, unlike Village Center CDD, was formed with the intent that it will contain a sufficient number of residents to allow for a transition to control by a general electorate. **Currently, [two] of the members of the Board of the Issuer were elected by qualified electors and [three] of the members were [appointed by the Board to fill vacancies] BALDWIN – NEED TO CONFIRM.** Notwithstanding the foregoing, there can be no assurance that an audit by the IRS of the Series 2022A Bonds will not be commenced or that, if commenced, that it would not result in an adverse ruling that the Issuer is not a political subdivision for purposes of Section 103(a) of the Code. The Issuer has no reason to believe that any such audit will be commenced, or that any such audit, if commenced, would result in a conclusion of noncompliance with any applicable state or federal law.

Owners of the Series 2022A Bonds are advised that, if the IRS does audit the Series 2022A Bonds, under its current procedures, at least during the early stages of an audit, the IRS will treat the Issuer as the taxpayer, and the Owners of the Series 2022A Bonds may have limited rights to participate in those proceedings. The commencement of such an audit could adversely affect the market value and liquidity of the Series 2022A Bonds until the audit is concluded, regardless of the ultimate outcome. In addition, in the event of an adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2022A Bonds, it is unlikely the Issuer will have available revenues to enable it to contest such determination or enter into a voluntary financial settlement with the IRS. Further, an adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2022A Bonds would adversely affect the availability of any secondary market for the Series 2022A Bonds. Should interest on the Series 2022A Bonds become includable in gross income for federal income tax purposes, not only will Owners of Series 2022A Bonds be required to pay income taxes on the interest received on such Series 2022A Bonds and related penalties, but because the interest rate on such Series 2022A Bonds will not be adequate to compensate Owners of the Series 2022A Bonds for the income taxes due on such interest, the value of the Series 2022A Bonds may decline.

THE SERIES 2022A INDENTURE DOES NOT PROVIDE FOR ANY ADJUSTMENT IN THE INTEREST RATES ON THE SERIES 2022A BONDS IN THE EVENT OF AN ADVERSE DETERMINATION BY THE IRS WITH RESPECT TO THE TAX-EXEMPT STATUS OF INTEREST ON THE SERIES 2022A BONDS. PROSPECTIVE PURCHASERS OF THE SERIES 2022A BONDS SHOULD EVALUATE WHETHER THEY CAN OWN THE SERIES 2022A BONDS IN THE EVENT THAT THE INTEREST ON THE SERIES 2022A BONDS BECOMES TAXABLE AND/OR THE ISSUER IS EVER DETERMINED TO NOT BE A POLITICAL SUBDIVISION FOR PURPOSES OF THE CODE AND/OR SECURITIES ACT (AS HEREINAFTER DEFINED).

Loss of Exemption from Securities Registration

The Series 2022A Bonds have not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws, because of the exemption for securities issued by political subdivisions. It is possible that federal or state regulatory authorities could in the future determine that the Issuer is not a political subdivision for purposes of federal and state securities laws, including without limitation as the result of a determination by the IRS, judicial or otherwise, of the Issuer's status for purposes of the Code. In such event, the Issuer and purchasers of Series 2022 Bonds may not be able to rely on the exemption from registration under the Securities Act relating to securities issued by political subdivisions. In that event, the Owners of the Series 2022 Bonds would need to ensure that subsequent transfers of the Series 2022 Bonds are made pursuant to a transaction that is not subject to the registration requirements of the Securities Act and applicable state securities laws.

COVID-19 and Related Matters

The outbreak of COVID-19 or another outbreak of a highly contagious or epidemic or pandemic disease may alter the future behavior of businesses and people in a manner which could have negative impacts on the global, United States, State and local economies. These impacts may, in turn, adversely affect the residents and businesses in the Service Area and in other portions of the County. The spread of COVID-19 has had, and continues to have, significant negative impacts throughout the world, including in the United States and in the State. Public health emergencies were declared in the United States and in the State, although most of the State's emergency orders have been rescinded. In addition to the general economic conditions discussed above, COVID-19 may alter the future behavior of businesses and people in a manner that could have negative impacts on global and local economies. The timely and successful further development of the Service Area, the construction and sale of residential units therein, and the development of commercial uses may be adversely impacted by the current spread of COVID-19 or by other highly contagious or epidemic or pandemic diseases. Neither the Issuer nor the District can predict the duration of the current COVID-19 outbreak, and the ultimate impact the COVID-19 outbreak may have on the Service Area is unknown. The United States, the State and the County have all imposed certain health and public safety restrictions in response to COVID-19. Neither the Issuer nor the District can predict the duration of these restrictions or whether additional or new actions may be taken by governmental authorities, including the State and/or any of the local governments with jurisdiction over the land in the Service Area, to contain or otherwise address the impact of the COVID-19 or similar outbreak. It is possible that construction delays, delays in the receipt of permits or other government approvals, delays in construction of residential units and/or sales to end-users, or other delays, and decrease in demand for commercial uses, could occur as a result of the COVID-19 outbreak or other highly contagious or epidemic or pandemic diseases that adversely impact the Service Area.

Climate Change and Natural Disasters

The State, including the land in the Service Area, is naturally susceptible to the effects of extreme weather events and natural disasters including floods, droughts, and hurricanes, which could result in negative economic impacts on communities like the Development. Such effects can be exacerbated by a longer-term shift in the climate over several decades (commonly referred to as climate change), including increasing global temperatures and rising sea levels.

The District has developed an Emergency Response Plan (ERP) in accordance with Florida Administrative Code (62.555.350) to assist with the prevention and recovery of various disasters and the related impacts to system components. The ERP is a working document that is utilized before, during and after a disaster. The ERP is the outgrowth of, and developed from, a hazard evaluation, vulnerability

analysis, and implemented mitigation actions. It specifies necessary functions for personnel to quickly, efficiently and safely restore essential utility services. The purpose of the ERP is to:

- Minimize damaging effects of natural and incidental disasters upon the water production, water distribution, wastewater collection and water reclamation systems that make up the Utilities System;
- Provide local area assistance where and when required during and after natural disasters; and
- Restore the Utilities System to working order as quickly as possible, while minimizing loss of service to customers within the Service Area in the event of a disaster.

Cyber-Security

The District relies on a technological environment to conduct its operations. The District, its agents and third parties with which they do business, or otherwise rely upon, are subject to cyber threats, including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to such parties' digital systems for the purposes of misappropriating assets or information or causing operational disruption and damage. There can be no assurance that any security and operational control measures implemented by the District will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attack could impact operations and/or digital networks and the costs of remedying any such damage could be significant. No assurances can be given that any such attacks will not materially adversely impact the operations or finances of the District or the Utilities System, which could adversely impact the timely payment of debt service on the Bonds, including, without limitation, the Series 2022A Bonds.

The District has an information technology security team that has led the implementation of threat detection, system controls, training programs for personnel on social engineering campaigns, and other protective measures that help to protect the integrity and operation of the District's information technology, customer data and critical operating technology. Through software products, monitoring by operational personnel and procedures to ensure all technology-related procurements are properly evaluated, the District has a robust system in place to detect and eliminate cyber-security threats.

Insurance-Related Considerations

The Series 2022A Credit Facility will secure the Series 2022A Bonds. The Series 2022A Debt Service Reserve Insurance Policy deposited in the Series 2022A Debt Service Reserve Account will secure only the Series 2022A Bonds. The applicable risks described herein apply to the Series 2022A Credit Facility and the Series 2022A Debt Service Reserve Insurance Policy.

If there is a default of the payment of principal or interest with respect to the Series 2022A Bonds when all or some becomes due, any owner of the Series 2022A Bonds shall have a claim under the Series 2022A Credit Facility issued by the Insurer for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Series 2022A Credit Facility does not insure against redemption premium, if any. The payment of principal and interest in connection with mandatory or optional redemption of the Series 2022A Bonds which is recovered from the holders of the Series 2022A Bonds as a voidable preference under applicable bankruptcy law is covered by the Series 2022A Credit Facility, however, such payments will be made by the Insurer at such time and in such amounts as would

have been due in the absence of such redemption unless the Insurer chooses to pay such amounts at an earlier date. Under most circumstances, default of payment of principal and interest does not obligate acceleration of the obligations of the Insurer without appropriate consent.

As described under the subcaption "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS – Series 2022A Insurer's Rights," while the Insurer is not in default of its obligations, upon the occurrence and continuance of an Event of Default under the Series 2022A Indenture, the Insurer may be deemed to be the sole Holder of the Series 2022A Bonds for all purposes under the Series 2022A Indenture, including, without limitation, for purposes of exercising remedies with respect thereto and will have certain other rights as described under that subcaption and in the Series 2022A Indenture, including with respect to amendments and supplements to the Series 2022A Indenture. See also "APPENDIX C: COPY OF THE TRUST INDENTURE AND FORM OF THE SUPPLEMENTAL INDENTURE" hereto.

In the event the Insurer is unable to make payment of principal and interest as such payments become due under the Series 2022A Credit Facility and/or the Series 2022A Debt Service Reserve Insurance Policy, the Series 2022A Bonds are payable solely from the Pledged Revenues in the manner set forth in the Series 2022A Indenture. In the event the Insurer becomes obligated to make payments with respect to the Series 2022A Bonds, no assurance is given that such event will not adversely affect the market price of the Series 2022A Bonds or the marketability (liquidity) for the Series 2022A Bonds.

Certain of the long-term ratings on the Series 2022A Bonds will be dependent in part on the financial strength of the Insurer and its claim paying ability. The Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Insurer and of the ratings on the Series 2022A Bonds will not be subject to downgrade and such event could adversely affect the market price of the Series 2022A Bonds or the marketability (liquidity) for the Series 2022A Bonds.

The obligations of the Insurer are contractual obligations and in an event of default by the Insurer, the remedies available may be limited by applicable bankruptcy law or state laws related to insolvency of insurance companies.

THE INFORMATION REGARDING THE INSURER UNDER THE CAPTION "BOND INSURANCE" HAS BEEN FURNISHED BY THE INSURER FOR USE IN THIS OFFICIAL STATEMENT. REFERENCE IS MADE TO APPENDIX G HERETO FOR A SPECIMEN OF THE CREDIT FACILITY. NO REPRESENTATION IS MADE BY THE DISTRICT, THE ISSUER OR THE UNDERWRITERS AS TO THE ACCURACY OF ADEQUACY OF SUCH INFORMATION OR THAT THERE HAS NOT BEEN ANY MATERIAL ADVERSE CHANGE IN SUCH INFORMATION SUBSEQUENT TO THE DATE OF SUCH INFORMATION.

None of the District, the Issuer or the Underwriters will make an independent investigation into the claims paying ability of the Insurer, and no assurance or representation regarding the financial strength or projected financial strength of the Insurer is given, nor is any representation made as to the ability of the Insurer to meet its obligations under the Series 2022A Credit Facility and/or the Series 2022A Debt Service Reserve Insurance Policy. Thus, when making an investment decision, potential investors should carefully consider the ability of the Issuer to pay, solely from the Pledged Revenues received by the Trustee from the District under the Series 2022A Indenture, principal of and interest on the Series 2022A Bonds and the claims paying ability of the Insurer, as applicable, upon a claim under the Series 2022A Credit Facility and/or the Series 2022A Debt Service Reserve Insurance Policy. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS – Funds and Accounts and Flow of Funds" and "BOND INSURANCE" for further information with respect to the Insurer, the Series 2022A Credit Facility and the Series 2022A

Debt Service Reserve Insurance Policy and further instructions for obtaining current financial information concerning the Insurer.

THE UTILITIES SYSTEM

The discussion below is a brief summary of more detailed information presented in the Engineer's Report for Bond Financing, dated April 26, 2022 (the "Engineer's Report"), prepared by Kimley-Horn and Associates, Inc. (the "Consulting Engineer"), which is attached hereto in its entirety as APPENDIX A, and the Financial Feasibility Report Regarding Water and Sewer Revenue Bonds, Series 2022A, dated [April 27, 2022, as updated on _____, 2022] (the "Feasibility Report"), prepared by Willdan Financial Services (the "Feasibility Consultant"), which is attached hereto in its entirety as APPENDIX B, in each case to which is reference is hereby made to the full text thereof.

The Sublease/Option Agreement

The Utilities System was initially leased by the District pursuant to the terms of Water and Sewer System and Reuse Water System Sublease/Option To Purchase Agreement, dated as of June 29, 2004, as amended and restated as of October 12, 2010 (the "Sublease/Option Agreement"), by and among the District, On Top Of The World Communities, LLC (the "Developer") and Sidney Colen & Associates, Ltd. ("SCA" and, together with the Developer, the "Grantors"). The District previously exercised its rights under the Sublease/Option Agreement to purchase all of the leased assets, which purchase was funded in part by the proceeds of the District's Series 2011 Bonds. The District's prior purchase included all of the then-existing property of the Utilities System, except for Water Treatment Plant #3, which the District continued to sublease, and which was not needed at that time to supply water to then-existing customers, but served as redundant capacity for the two other existing plants and to service additional expansion. Water Treatment Plant #3 was considered an expansion project under the Sublease/Option to Purchase Agreement. The District subsequently determined to exercise its Purchase Option to purchase the remaining assets leased under the Sublease/Option Agreement, consisting of Water Treatment Plant No. 3, and issued its Series 2022B Bonds to finance such acquisition. [STATUS OF ACQUISITION.]

The Sublease/Option Agreement requires that in the event the District issues revenue bonds to pay the Purchase Price of any Assets, the District must fix, establish, maintain, collect and revise from time to time whenever necessary, such fees, rates, rentals and other charges for the use of the products, services and facilities of the Utilities System, as necessary to meet all covenants of the District relating to or arising out of the issuance of the revenue bonds or any District bond resolutions, including, but not limited to, bond coverage requirements and funding requirements for any debt service, reserve account and renewal and replacement account (the "Rate Covenant").

Service Area

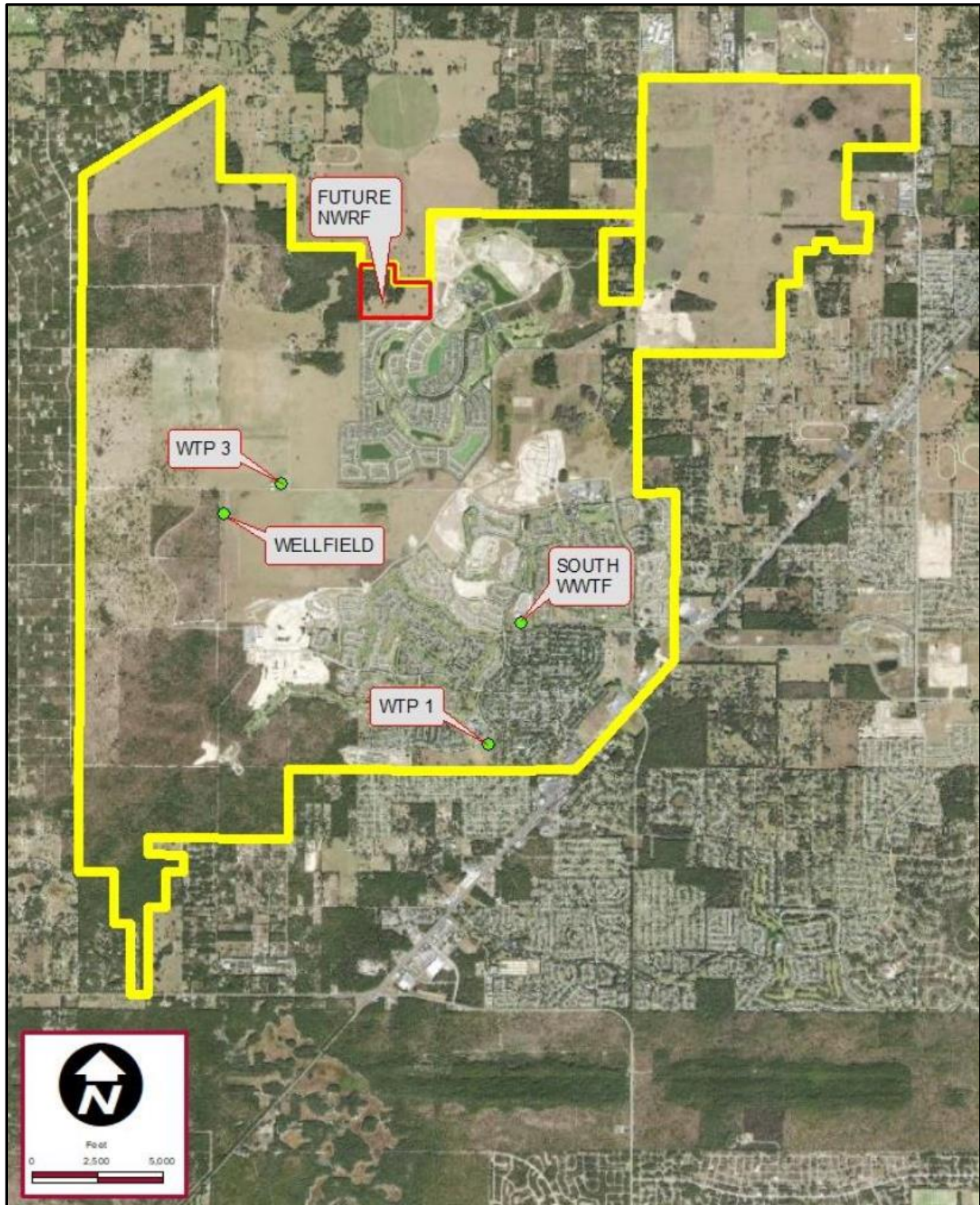
The Utilities System provides service to all of the residents and businesses of the OTOW Community and adjacent properties near SR 200 located in Marion County, Florida. The Utilities System also provides service to the residents and businesses located within Indigo CDD and Candler CDD and to residents of Stone Creek, a nearby Del Webb community. In addition, the Utilities System will provide service to three recently approved development projects including the Calesa Planned Development and two mixed use employment centers (Earl Employment Center and South Employment Center) that will include multifamily development. The foregoing are collectively referred to as the "Service Area."

The Utilities System currently serves approximately 10,461 water connections and 9,992 wastewater connections. The District's Reuse System primarily provides flow for irrigation purposes to golf

course and common landscape areas throughout the Service Area. For more information regarding the development status and plan for the Service Area, see "THE DEVELOPMENT" herein.

At buildout, the District's Service Area is expected to contain approximately 13,150 acres. The map of the Service Area is shown on the following page.

[Remainder of page intentionally left blank.]



The Service Area is located within southwest Marion County, an area which has shown steady growth over the ten-year period from 2012 through 2021, including continued commercial and residential expansion from Ocala southwest along the S.R. 200 corridor. Marion County's central location offers access to the Orlando, Tampa and Jacksonville metropolitan areas, including their international airports, sports, entertainment, universities and health care facilities. See "THE DEVELOPMENT" herein for more

information regarding the growth and development plans for the Development served by the Utilities System.

Utility Management

The utility assets[, with the exception of WTP No. 3,] are currently owned by the District. All utility assets, including WTP No. 3, are currently operated and managed by the District. The District is governed by its Board of Supervisors, which is comprised of five elected members. See "THE DISTRICT" herein for more information. The Board has the final responsibility for assessing and levying maintenance taxes, approving budgets, control over facilities and properties, controlling funds, key personnel, and financing improvements.

The District Manager reports to the Board of Supervisors and oversees District staff, including Administrative, Customer Service, and Operations staff. The Operations staff consists of Water Treatment, Wastewater Treatment, and Distribution and Collections groups that oversee the operation, maintenance, and improvements related to the utility systems. The Utilities System is in compliance with all regulatory agencies and related requirements due to the continued improvements, operations, and management activities of the District.

Water System

Water Supply

The Water System uses treated groundwater from the Upper Floridan Aquifer to supply demands within the Service Area. There are seven supply wells operating under the current Water Use Permit (WUP), allows a total system withdrawal of 7,560,900 gallons per day (gpd) on an annual average day flow basis, with 10,509,600 gpd on maximum monthly allocation. The existing raw water supply has a total capacity of 13,785 gallons per minute (gpm) with a firm capacity of 11,685 gpm with the largest well out of service.

The Utilities System's water treatment consists of two water treatment plants (WTP) that supply water to the utility distribution system. The District owns and operates WTP No. 1. [WTP No. 3 is currently leased via the Sublease/Option Agreement. The District is exercising its option to purchase WTP No. 3, which purchase will be funded with a portion of the proceeds of the District's Series 2022B Bonds.]

The water distribution system ranges in size from 2-inch to 36-inch pipelines. The majority of the distribution system is 6-inch and 8-inch pipeline. The majority of the Water System was constructed between the 1980s to present, making this a relatively young system. Based on the age, material and good operational history, according to the Engineer's Report, the Water System is anticipated to remain reliable in the foreseeable future.

Regulatory Review of Water System

The FDEP has the primary role of regulating public water systems in Florida. The District's water system is regulated under FDEP Operation Permit No. 642619. This authority is derived from Chapter 403, Part IV of the Florida Statutes and by delegation of the federal program from the US Environmental Protection Agency (EPA) Clean Water Act (CWA), the primary federal law in the United States governing water pollution.

Primary drinking water standards are legally enforceable standards that apply to public water systems. Primary standards protect drinking water quality by limiting the levels of specific contaminants

that can adversely affect public health and are known or anticipated to occur in water. The FDEP monitors these contaminants in public water supply systems in Florida.

Water withdrawals from the District's water system are regulated by the Southwest Florida Water Management District ("SWFWMD"). The Water System is currently operating under WUP No. 20 001156.013, which was renewed on February 23, 2021 and expires on February 23, 2041. The Engineer's Report did not note any outstanding compliance issues in connection with the Water System.

The table below shows the historical potable water demand and future projections:

Historical Potable Water Demand and Future Projections

	Actual	Projected				
	2021	2022	2023	2024	2025	2026
Annual Average Daily Demand (MGD)	3.38	3.58	3.80	4.03	4.27	4.52
Maximum Day Demand (MGD) ⁽¹⁾	7.27	7.70	8.16	8.65	9.17	9.72

(1) Maximum day demand estimated using 2.15 maximum day to average annual demand peaking factor.
Source: Engineer's Report

Wastewater System

Wastewater Capacity

The District's South Wastewater Treatment Plant (WWTP) consists of two plants at one location that operate in parallel. The South WWTP operates under FDEP Permit No. FLA012683, issued October 28, 2013, with an expiration date of October 27, 2023 and a permitted capacity of 1.25 MGD (annual average daily flow). The South WWTP consists of extended aeration activated sludge treatment systems.

The wastewater collection system ranges in size from 6-inch to 18-inch piping. In addition to the gravity network, there are 32 wastewater pump stations and force main ranging from 4-inch to 20-inch pipeline. The majority of the Wastewater System was constructed between the 1980s to present, making this a relatively young system.

To treat future flows, the District is constructing the 2022B Project to decommission the South WWTP and construct the new North Wastewater Reclamation Facility (WRF). The North WRF is planned to reach substantial completion by the third quarter of 2024 and be online by the fourth quarter of 2024. The North WRF will be designed to treat an initial total flow of 2.5 MGD (average annual daily flow), with provisions for future expansion to a buildout capacity of 5.0 MGD. The facility will be designed as a 4-stage Bardenpho process capable of producing an effluent that meets advanced treatment standards of 5 mg/l BOD, 5 mg/l TSS, 3 mg/l TN, and 1 mg/l TP (5/5/3/1) but permitted to the current FDEP operating permit limits.

The overall Wastewater System, including the planned North WRF, is reported to provide sufficient capacity, with alternate flow patterns in the force main network and sufficient valves and air releases. The lift stations include backup pumps, pump outs, valves, and portable backup power connections. Seven new lift stations were placed into operation between 2020 and 2022.

Regulatory Review of Wastewater System

The FDEP regulates the District's WWTP operation and compliance. The wastewater system operates under FDEP permit FLA012683, which was issued on October 28, 2013 and is set to expire on October 27, 2023. The District expects to obtain an extension of the existing permit to continue operating the South WWTP until such time as the new North WRF is operational. The Engineer's Report revealed no outstanding compliance issues in connection with the Wastewater System.

The wastewater system is inspected annually by the FDEP. The most recent inspection, which occurred on December 28, 2021, revealed the following compliance issues: (i) calibration of a pH meter, (ii) certain reporting deficiencies in wastewater discharge monitoring reports, (iii) effluent quality of a single sample and (iv) reporting of annual biosolids monitoring results. Following corrective action by the District, the WWTP was determined to have resolved the identified issues and returned to compliance with the FDEP's rules and regulations in February 2022.

Historical Wastewater Flow and Future Projections

	Actual	Projected				
	2021	2022	2023	2024	2025	2026
Annual Average Daily Flow (MGD)	0.73	0.78	0.82	0.88	0.93	0.99
Maximum Monthly Flow (MGD) ⁽¹⁾	0.92	0.98	1.04	1.10	1.17	1.25

(1) Maximum monthly flow estimated using 1.26 maximum month to average annual flow peaking factor.

Source: Engineer's Report

Reuse System

To reduce groundwater withdrawals, the District has installed a reclaimed pump station and distribution system for irrigation supply. The reclaimed facilities are co-located with the South WWTP site, including a pump station, a 2.5 MG GST, a turbidity meter and associated ancillary items. The pump station consists of three main pumps with one jockey pump for low flows. Once the North WRF is operational, and the South WWTP is decommissioned, existing reclaimed water components located at the South WWTF will be converted to a reclaimed water re-pump station. The re-pump station will receive flow from the new North WRF and re-pump flow to serve the existing customers of the District.

Primary effluent disposal is to the reclaimed distribution system. Restricted access reclaimed water, which provides beneficial water for the purpose of irrigation used in the agricultural operation for Circle Square Ranch, is the second alternative, with on-site rapid infiltration basins (RIBs) providing an additional backup alternative. Should water quality temporarily not meet reclaimed standards, the flows will automatically be diverted from the reclaimed water distribution system to the restricted access reclaimed water system. RIBs are provided as an emergency disposal method in the event the other reclaimed water sites are unable to take any additional flows.

The public access reuse reclaimed water distribution system consists of more than 2 miles of reclaimed water transmission mains, ranging from 12-inch to 20-inch in size. The distribution system primarily provides flow for irrigation purposes to golf courses and common landscape areas throughout the Service Area.

Capital Improvement Program

According to the Rate Study, the District's capital improvement program provides a process for identifying and prioritizing major facility needs and identifying fiscal resources to be utilized to implement the various capital projects. As a part of its planning process, the District develops a multi-year capital improvement plan (CIP), which sets forth planned capital expenditures and projected funding sources. The CIP identifies planned upgrades, improvements, renewals and replacements to the Utilities System. The CIP attempts to predict capital needs over a multi-year period and represents the best judgment of the District. However, it is possible that additional Utilities System needs not contemplated in the current CIP could present themselves during the Projection Period.

The District's current FY 2022 – FY 2026 CIP includes the acquisition of WTP No. 3, as well as other projects to be paid for through the available fund balance. The Feasibility Report assumes that all projects are funded in accordance with the timing and funding sources provided in the CIP.

The table below sets forth the District's current CIP:

Projected Capital Expenditures and Sources of Funding (in \$1,000s)

Description	2022	2023	2024	2025	2026	5-Yr Total
Capital Expenditures						
<u>Water System</u>						
Treatment	\$35,891	\$97	\$1,113	\$81	\$459	\$37,641
Distribution	564	378	357	1,829	459	3,587
Total Water System	\$36,455	\$476	\$1,470	\$1,909	\$918	\$41,228
<u>Wastewater System</u>						
Treatment	88,699	26,013	14,395	81	89	129,276
Collection	132	205	179	128	138	782
Total Wastewater System	\$88,831	\$26,218	\$14,574	\$209	\$227	\$130,059
Vehicles and Administration	120	160	165	171	176	792
Administration	140	67	35	37	40	319
Total Capital Expenditures	\$125,546	\$26,920	\$16,244	\$2,326	\$1,361	\$172,398
Funding Sources						
Operating Fund	\$16,816	\$521	\$385	\$1,701	\$690	\$20,113
Renewal & Replacement Fund	1,806	1,011	1,971	625	671	6,085
Grant	25,324	388	388	-	-	26,100
Series 2022B Bonds	81,600	25,000	13,500	-	-	120,100
Future Revenue Bonds	-	-	-	-	-	-
Total Funding Sources	\$125,546	\$26,920	\$16,244	\$2,326	\$1,361	\$172,398

(1) Information provided by the District.
Source: Feasibility Report

Historical and Projected Use

The Feasibility Consultant analyzed historical customer billing data for the period beginning October 2015 through February 2022. Included in this data were customer accounts and metered flows for customers in each rate code. An analysis of the billing data was conducted to obtain an understanding of the historical growth trends and usage characteristics for each rate class.

The Utilities System is largely comprised of residential customers, with residential water customers representing approximately 92.11% of its customers and approximately 92.45% of its billed consumption. Growth in metered accounts has continued to increase each year. Usage patterns for projected customers are anticipated to be similar to the District's existing customers. The table below sets forth the historical and projected number of the Utilities System's metered accounts:

Historical and Projected Metered Accounts

Fiscal Year	Water				Wastewater			
	Residential	Non-Residential	Total	% Total Growth	Residential	Non-Residential	Total	% Total Growth
2016	6,162	748	6,909	--	6,162	278	6,439	--
2017	6,547	770	7,317	5.90	6,547	300	6,847	6.33
2018	6,967	789	7,756	6.01	6,967	320	7,287	6.44
2019	7,529	792	8,320	7.27	7,529	322	7,851	7.73
2020	8,072	801	8,873	6.64	8,072	331	8,403	7.03
2021	8,791	814	9,606	8.26	8,791	344	9,136	8.72
2022	9,339	843	10,182	6.00	9,339	373	9,712	6.31
2023	9,918	873	10,792	5.99	9,918	404	10,322	6.28
2024	10,533	906	11,439	6.00	10,533	436	10,969	6.27
2025	11,184	940	12,125	6.00	11,184	470	11,655	6.25
2026	11,875	976	12,852	6.00	11,875	507	12,382	6.24

(1) Historical information provided by the District.

Source: Feasibility Report

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For the Fiscal Year ended September 30, 2020, water sales revenues from the District's ten largest customers represented approximately 16.33% of its total sales revenues. The table below sets forth the District's ten largest customers and the total annual usage and revenues for all accounts of the respective customer:

Ten Largest Customers (FY 2020)

Customer	Customer Type	Billed Usage ⁽²⁾	Pct of Total Billed Usage	Billed Revenue	Pct of Total Billed Revenues
Stone Creek Community HOA	Residential Irrigation	189,826	5.55%	\$378,447	3.74%
OTOW Inventory	Residential	91,973	2.69%	\$281,027	2.77%
Stone Creek Community Association	Residential Irrigation	102,018	2.98%	\$240,345	2.37%
SCA Marion Amenities, LLC	Commercial	71,085	2.08%	\$145,008	1.43%
Pulte National Financial Services	Residential	33,600	0.98%	\$127,049	1.25%
SCA Marion Amenities, LLC - OTOW Golf Course	Reuse	124,259	3.64%	\$121,774	1.20%
Bridgewater Park Properties, LLC	Commercial	17,330	0.51%	\$106,760	1.05%
Stone Creek Community Assoc.	Commercial	49,351	1.44%	\$94,819	0.94%
OTOW Land Development	Construction Meters	19,590	0.57%	\$80,923	0.80%
Publix Supermarkets, Inc. #1201	Commercial	23,441	0.69%	\$78,130	0.77%
Total Top Ten Customers		722,473	21.14%	\$1,654,281	16.33%
Total System – FY2020		3,418,157		\$10,129,268	

(1) Information obtained from billing data provided by the District.

(2) Amounts shown are in 1,000 gallons.

Source: Feasibility Report

Rates, Fees and Charges; Comparison

Rates and charges are reviewed periodically by the District staff in preparation of the annual operating budget and, when necessary for recovery of operating and maintenance expenses, debt service, and capital expenditures, the District will implement rate adjustments. The District adopted the current 3.00% annual increase for water and 4.00% annual increase for wastewater in 2018, with an implementation date of October 1, 2018. The District has historically made annual adjustments to help mitigate the effects of inflation, as well as when necessary to meet operating and capital expenditure requirements.

In general, the existing rates for water, wastewater, and reclaimed services consist of (i) an account charge, which is a fixed charge added to each bill to cover at least a portion of administrative costs, (ii) a base charge calculated using meter size equivalencies and (iii) a volumetric charge. Reclaimed water is currently available through bulk pressured service lines, and connections are served with no base charge, at a single gallonage rate per 1,000 gallons of metered reclaimed water. In preparation of the District's plans to offer expanded reclaimed water services to both residential and commercial customers in the near future for irrigation purposes, reclaimed water rate structure and rates were implemented that are familiar to current customers.

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Set forth below are the District's rates for Fiscal Year 2022, which became effective October 1, 2021.

Rate Schedule

Description	Water	Wastewater	Reclaimed
<u>Residential – Single Family</u>			
Customer Account Charge	\$2.96	\$1.59	\$-
<u>Monthly Base Facility Charge</u>			
5/8" meter	\$14.91	\$28.00	\$6.45
3/4" meter	\$22.37	\$28.00	\$9.68
1" meter	\$37.28	\$28.00	\$16.13
1 1/2" meter	\$74.55	\$28.00	\$32.25
2" meter	\$119.28	\$28.00	\$51.60
<i>(Over 2" based on demand as determined by District staff)</i>			
<u>Gallage charge (Per 1,000 gallons)</u>			
First 7,500 gallons	\$1.66	\$6.54	\$0.68
Over 7,500 to 15,000 gallons	\$2.76	(Max 5,000 GPD)	\$1.18
Over 15,000 to 20,000 gallons	\$3.86	N/A	\$1.87
Over 20,000 to 25,000 gallons	\$7.31	N/A	\$2.54
Over 25,000 to 30,000 gallons	\$8.28	N/A	\$3.07
Over 30,000 gallons	\$11.04	N/A	\$3.56
<u>Residential - Multi-Family</u>			
Customer Account Charge (per connection)	\$2.96	\$1.59	\$-
Monthly Base Facility Charge (per unit and ERC)	\$10.65	\$25.20	\$4.61
Gallage charge/1,000 gallons same as Single Family with each tier gallage multiplied by the number of Units/ERCs			
<u>Master-Metered Irrigation</u>			
Customer Account Charge (per connection)	\$2.96	N/A	N/A
Monthly Base Facility Charge (per unit and ERC)	\$14.91	N/A	N/A
<u>Gallage charge (Per 1,000 gallons)</u>			
First 15,000 gallons	\$2.76	N/A	N/A
Over 15,000 to 20,000 gallons	\$3.86	N/A	N/A
Over 20,000 to 25,000 gallons	\$7.31	N/A	N/A
Over 25,000 to 30,000 gallons	\$8.28	N/A	N/A
Over 30,000 gallons	\$11.04	N/A	N/A
<u>Commercial/Non-Residential/Mixed-Use</u>			
Customer Account Charge (per connection)	\$2.96	\$1.59	\$6.45
Monthly Base Facility Charge (per unit and ERC)	\$14.91	\$28.00	\$-
<u>Gallage charge (Per 1,000 gallons)</u>			
First 6,000 gallons	\$1.66	\$6.54	\$0.68
Over 6,000 to 12,500 gallons	\$2.76	\$6.54	\$1.18
Over 12,500 to 17,500 gallons	\$3.86	\$6.54	\$1.87
Over 17,500 to 22,500 gallons	\$7.31	\$6.54	\$2.54
Over 22,500 to 27,500 gallons	\$8.28	\$6.54	\$3.07
Over 27,500 gallons	\$11.04	\$6.54	\$3.56
<u>Reuse Rates (Gallage charge/1,000 gallons)</u>			
Bulk Pressured Reclaimed Rate	N/A	N/A	\$0.98
<u>Fees Due at Meter Install Request ⁽¹⁾</u>			
AFPI (Per ERC)	\$1,576.00	\$2,434.00	N/A

(1) An ERC is equal to 350 gpd for water and 250 gpd for sewer. A single-family customer with a 5/8" meter equals 1 ERC.

Source: Feasibility Report

Set forth below is a comparison of the District's water rates with those of other government utility systems in Florida, as shown in the Feasibility Report. The rates utilized for the other utilities were in effect as of January 2022 and are exclusive of local taxes, franchise fees, surcharges for outside service, if any, or other rate adjustments. For comparison purposes, monthly bills for all utilities were calculated based on a residential customer using 15,000 gallons for both water and sewer.

Comparison to Other Systems

Description	Water	Sewer	Total
Indigo East CDD	\$51.02	\$62.29	\$113.31
<u>Neighboring Utility Systems</u> ⁽²⁾			
Dunnellon	\$87.98	\$234.73	\$322.71
Umatilla	\$52.78	\$92.53	\$145.31
Bellevue	\$54.35	\$84.17	\$138.52
Palatka	\$60.77	\$71.64	\$132.41
Crystal River	\$72.33	\$46.70	\$119.03
Groveland	\$50.23	\$58.63	\$108.86
Eustis	\$52.86	\$55.35	\$108.21
Gainesville Regional Utilities	\$60.80	\$45.97	\$106.77
Marion County	\$34.29	\$56.97	\$91.26
Average Typical Monthly Bill of Neighboring Utilities	\$55.41	\$81.01	\$136.42
Lowest Typical Monthly Bill of Neighboring Utilities	\$27.71	\$45.97	\$91.11
Highest Typical Monthly Bill of Neighboring Utilities	\$87.98	\$234.73	\$322.71

(1) Assumes a single-family residential customer with a 5/8 X 3/4-inch water meter using 15,000 gallons of combined service per month.

(2) The rates utilized for the other neighboring utilities shown were in effect as of January 2022 as reported by each respective local government.

Source: Feasibility Report

Historical Operating and Financial Results

The District, as the owner of the Utilities System, is responsible for its operation, maintenance and expansion. The Feasibility Report includes a historical review of the Utilities System's historical operating results. The historical revenues and expenses of the Utilities System set forth in the Feasibility Report are based on the District's audited financial statements for Fiscal Years ended September 30, 2017 through 2020, and actual unaudited information for the twelve months ended September 30, [2021]. The historical operating results indicate the Utilities System has been a financially self-supporting enterprise.

A summary of the Utilities System's historical operating results is provided below:

Historical Operating Results
(in \$1,000s)

Description	Fiscal Year ending September 30,				
	2017	2018	2019	2020	2021 ⁽¹⁾
Operating Revenues	\$10,401	\$10,845	\$11,798	\$13,489	\$15,558
<u>Operating Expenses</u>					
Administrative and General	\$75	\$94	\$100	\$210	\$261
Cost of Sales and Services	4,181	4,751	4,971	5,343	5,998
Depreciation and Amortization	1,052	1,157	1,276	1,379	1,379
Total Operating Expenses	\$5,307	\$6,001	\$6,347	\$6,932	\$7,638
 Operating Income	 \$5,094	 \$4,844	 \$5,451	 \$6,557	 \$7,920
Non-Operating Revenues/(Expenditures)	\$(1,447)	\$(1,397)	\$(1,350)	\$(1,361)	\$(1,363)
Income before Capital Contributions	\$3,647	\$3,446	\$4,101	\$5,197	\$6,557
Capital Contributions	\$2,240	\$3,417	\$1,616	\$4,428	\$-
Total Revenues Over Expenditures	\$5,887	\$6,863	\$5,716	\$9,624	\$6,557

(1) Information for fiscal years 2017 through 2020 obtained from the audited income statements for the Utilities System, fiscal year 2021 is based on unaudited information.

Source: Feasibility Report

Projected Operating and Financial Results

According to the Feasibility Report, the projected operating results of the Utilities System are developed from two major components, consisting of projected revenues and projected revenue requirements. The development of each of these components is detailed in the following discussions.

Projected Revenues

The projected revenues shown in the Feasibility Report include both revenues generated from the retail user rates, and revenues generated from other sources or utility-related activities. The projected user rate revenues provide the estimated additional revenue needs (and applicable annual percentage rate adjustments) necessary to meet the projected revenue requirements for a given Fiscal Year, including operating expenses, debt service coverage, targeted operating reserve and anticipated capital expenditures. Annual rate adjustments are assumed to be across-the-board adjustments applied to each rate component and are assumed to take effect on October 1 of each respective Fiscal Year. The Feasibility Report assumes annual rate increases of 3% per year for the Water System and 4% per year for the Wastewater System for Fiscal Years 2022-2026.

Other revenue sources available to the Utilities System include such items as tapping fees, utility service charges, investment income and various other miscellaneous service charges. The projection of such other revenues varies depending upon the source and the service provided. Revenues from AFPI Charges and other such fees and charges related to new customer connections are dependent upon the number of new customers connecting to the Utilities System.

Investment income is the result of interest earned on unrestricted cash balances. The projected investment income for the District is calculated based on the estimated average cash balance for each Fiscal Year, assuming annual interest rates of 1.00% in Fiscal Year 2022, 1.50% in Fiscal Year 2023, and 1.75% for the remainder of the projection period. The average cash balance and resulting investment income are assumed to vary depending upon the utilization of cash reserves to fund operations and capital expenditures.

The District will also have access to certain cash flows (i.e. interest earnings) associated with the proposed capital project(s) and the funding thereof. Although it is anticipated that the District will have interest earnings from the construction reserves, such interest earnings are not included as revenues as developed in the Feasibility Report.

Projected Revenue Requirements

The annual revenue requirement to be secured by Utilities System revenues consists of the expenditures and coverages required by the Series 2022A Indenture, plus other expenditures that are anticipated and budgeted for by the District but not required by the Series 2022A Indenture. More specifically, revenue requirements consist of the operating, maintenance, debt service, capital and other monetary expenditures necessary to provide, maintain and perpetuate quality service to the customers of the Utilities System. The Feasibility Report uses the District's budget for Fiscal Year 2022 as the basis for developing the revenue requirements for the Projection Period. The budgeted revenue requirements have been further divided into Operating and Maintenance (O&M) expenses and Non-Operating expenses. The O&M expenses are primarily those ongoing costs for labor, materials, supplies, services, etc., required to manage and operate the Utilities System on a day-to-day basis while maintaining a dependable level of service. The estimated O&M requirements are generally a function of a budgetary process and are directly related to the level of service provided to customers of the Utilities System. The non-operating expenses include debt service, capital outlay and any other expenditures.

The future revenue requirements for the projection period are developed by escalating the costs identified in the Fiscal Year 2022 Budget on a line-item basis in accordance with historical results and assumed future activities and events that may impact the Utilities System. Such adjustments include increasing applicable O&M expenses by inflationary and/or customer growth factors depending upon the nature of the expense, adding in the estimated debt service associated with the Series 2022A Bonds, as well as assumed future debt service requirements, if any. At present, as is it assumed that the Series 2011 Bonds will be refunded with the issuance of the Series 2022A Bonds, the District will have no other outstanding debt payable from revenues of the Utilities System. Projected debt service associated with Parity Bonds includes only the proposed Series 2022A Bonds. Based on discussions with District staff, it is anticipated that no additional Parity Bonds will be issued during the projection period.

Projected Operating and Financial Results

The Feasibility Report uses the projected revenues and revenue requirements to develop a pro forma operating statement for the Utilities System. As noted above, the projections of revenues and expenditures are based on the District's Fiscal Year 2022 Budget, adjusted for known changes, and do not reflect any material change in the level of budgeted revenues and the payment of expenditures. As can be

seen, the District anticipates a reduction in operating expenses due efficiencies resulting from the change in ownership of WTP No. 3.

The Utilities System projected operating results, including a summary of the estimated revenues, expenditures, rate adjustments and debt service coverage calculations, for the projection period are set forth below:

Projected Operating Results ⁽¹⁾
(in \$1,000s)

Description	Fiscal Year ending September 30,				
	2022	2023	2024	2025	2026
Operating Revenues ⁽²⁾	\$15,074	\$16,280	\$17,707	\$19,266	\$20,968
<u>Operating Expenses</u>					
Administrative and General	\$399	\$413	\$427	\$442	\$457
Cost of Sales and Services	5,986	5,523	5,962	6,357	6,864
Depreciation and Amortization	-	-	-	-	-
Total Operating Expenses	\$6,384	\$5,936	\$6,389	\$6,799	\$7,322
Operating Income	\$8,689	\$10,344	\$11,318	\$12,467	\$13,647
Nonoperating Revenues (Expenses)	\$116	\$111	\$216	\$270	\$297
Available for Debt Service	\$8,806	\$10,455	\$11,534	\$12,737	\$13,944
<u>Debt Service ⁽³⁾</u>					
Series 2011 Bonds	1,667	-	-	-	-
Series 2022B Bonds	583	4,509	6,810	7,810	8,272
Series 2022A Bonds	[]	[]	[]	[]	[]
Total Debt Service	[]	[]	[]	[]	[]
<u>Debt Service Coverage ⁽⁴⁾</u>					
Test 1	[]	[]	[]	[]	[]
Test 2	[]	[]	[]	[]	[]
Net Results from Operations	[]	[]	[]	[]	[]

(1) See "–Principal Considerations" below and the Feasibility Report for other considerations and assumptions.

(2) Assumes revenue increases, surcharges and other revenues presented herein.

(3) Provided by the District's Underwriter.

(4) Pursuant to the Trust Indenture.

Source: Feasibility Report

Principal Considerations

In the preparation of the Feasibility Report and the conclusions set forth therein, the principal considerations and assumptions made by the Feasibility Consultant and the principal information and assumptions provided to the Feasibility Consultant by others include the following:

1) Customer account growth for the Water System was derived largely from an analysis of historical billing information. This information was reviewed with the District to identify trends and establish estimated growth rates for the Projection Period.

2) Generally, the projection of billable water, reclaimed water, and wastewater flows are based on an analysis of historical average annual usage per customer. Based on this analysis, an average annual usage was developed and then applied to the projected number of customers.

3) No assumptions or provisions have been made or included in the projections utilized in the Feasibility Report to reflect unforeseen changes in customer usage characteristics which may be the result of, but not limited to, existing and potential changes in legislation, deviations from normal weather conditions, including natural disasters such as hurricanes and earthquakes, or other unforeseen events.

4) Projected revenues from the sale of water services to ultimate customers have been based on the following:

a) for bills rendered during the period October 1, 2022 through September 30, 2026, Revenues have been projected based on rates reflecting the rate increases shown in the Feasibility Report, which are assumed to be adopted and implemented by the District for each respective Fiscal Year; and

b) the rate adjustments utilized in the Feasibility Report to develop projected revenues are assumed to take effect in October of each respective Fiscal Year.

5) Projected costs of operation and maintenance of the Utilities System were based on the District's estimated budget for Fiscal Year 2022. Escalation rates for future costs of operation and maintenance of the Utilities System were estimated based on a review of historical trends and the District's projections of future increases for certain expenses. The costs associated with certain operating expenses that are typically more variable in nature are adjusted pursuant to factors based on inflation, as well as changes in the number of customers and accompanying flows. Costs associated with material and supplies, system repairs, and certain other maintenance related expenses are assumed to increase from current budgetary levels based on inflationary factors that directly impact the water utility industry. Certain other adjustments are made based on discussions with District staff.

6) The District will establish, maintain, and collect such rates and charges in future years as necessary to provide revenues sufficient to meet its obligations in accordance with the rate covenant contained in the Trust Indenture, including: (i) costs associated with operations and maintenance of the Utilities System; (ii) debt service payments and coverage concerning the Series 2022A Bonds and all other obligations or indebtedness payable out of Pledged Revenues; and (iii) any fund deposits required by the Series 2022A Indenture.

7) The projected debt service requirements for the Series 2022A Bonds are based on estimated payment schedules provided by the District's Underwriters.

8) [The estimated principal and interest payments on the Series 2022A Bonds are based upon the following assumptions, which have been estimated and provided by the District's Underwriters: TO BE UPDATED]

a) [debt service with payments increasing through Fiscal Year 2031 and then leveling out through the remainder of the 30-year term; and]

b) [an assumed true interest cost of approximately 4.43% (as of March 29, 2022).]

9) For the Projection Period, interest earnings have been estimated on the basis of projected balances in the operating fund, and annual reinvestment rates of 1.00% in Fiscal Year 2022, 1.50% in Fiscal Year 2023, and 1.75% for the remainder of the projection period applied to projected fund balances. No investment income is assumed to be available from any bond proceeds.

10) Other operating revenues have been projected on the basis of the budgeted Fiscal Year ending September 30, 2022, amounts and are increased annually thereafter in proportion to projected customer growth, inflation or other established escalators.

11) The projections of accrued revenues and expenditures do not reflect the effects of any material adverse change in the receipt of revenues and the payment of expenditures.

12) No assumption has been made to reflect any changes in existing federal or State laws and/or regulations to reflect, among other things, more stringent environmental requirements, and changes in tax laws.

13) All information in the Feasibility Report that pertains to such things including, but not limited to, the District management, location, and demographics was provided by the District, its advisors, or other available sources and was not independently verified by the Feasibility Consultant. Further, the Feasibility Consultant relied on information provided by the District regarding the size, capacity, and configuration of the Utilities System, and the Feasibility Consultant made no effort to validate such information.

14) Future capital improvements and additions expenditures are assumed to occur as reported by the District and as estimated in the Feasibility Report. To the extent that the timing and or cost of such projects changes from that estimated therein, the actual financial results may vary from those indicated in the Feasibility Report.

Conclusions

Based upon the foregoing assumptions and considerations and upon the Feasibility Consultant's analyses and studies as summarized or referred to in the Feasibility Report, which should be read in its entirety in conjunction with the exhibits thereto and the following, the Feasibility Consultant is of the opinion that:

1) The projected customers and sales of the Utilities System represent reasonable projections based on analyses of historical and planned growth and form a reasonable basis for the projected operating results set forth in the Feasibility Report.

2) For the Fiscal Years ending September 30, 2022 through September 30, 2026 (the "Projection Period"), the District's revenues from the Utilities System are projected to be sufficient under the proposed rates, fees and charges to pay the projected costs of operation and maintenance, to pay the projected debt service on the Series 2022A Bonds and to provide the required debt service coverage in accordance with the provisions of the Series 2022A Indenture.

THE DEVELOPER

The information set forth in this section has been furnished by the Developer to provide prospective Owners with general information regarding the Developer.

The Developer is On Top of the World Communities, L.L.C., a Florida limited liability company, which is owned by THE 2019 COLEN FAMILY TRUST DTD 04/29/19 (58.0531811551964%); ON TOP OF THE WORLD HOLDINGS, LLC (40.8405083212254%); THE 2019 KDC PRESERVATION TRUST (0.616674407321547%); THE 2019 KDC SPECIAL VOTING TRUST (0.10%); KENNETH D. COLEN REVOCABLE TRUST AGREEMENT DATED JANUARY 3, 1997, AS AMENDED (0.389636116256646%). The Colen family has been developing real estate in Florida since 1947. The three primary developments undertaken by the Developer are On Top of the World – Clearwater, Florida, Kenneth City, Florida in Pinellas County, Florida and On Top of the World located in Marion County, Florida, in which the Issuer and the District are located. See "THE DEVELOPMENT" herein.

The President of the Developer is Kenneth D. Colen, who has been with the Developer in various capacities since 1975. Mr. Colen is Chair of the Colen Foundation, a charitable foundation dedicated to helping seniors live independently in their own homes, Chair of the Horticultural Arts and Park Foundation, a charitable foundation committed to education, preservation of native plant habitats, and to the development of a horticultural garden, in addition to other charitable foundations, Past Chairman of the Marion County Planning Commission, and a past member of the Marion County Land Use Code Board and of Withlacoochee Regional Planning Council Citizen Advisory Committee. Mr. Colen received a Bachelor of Science Degree from the College of Resource Development of the University of Rhode Island. Mr. Colen is also licensed as a Class A General Contractor.

THE DEVELOPMENT

The information set forth in this section has been furnished by the Developer to provide prospective Owners with general information regarding the Development.

General

The OTOW Community includes a development of regional impact (the "OTOW DRI"), which is being developed pursuant to an Amended and Restated Development Order ("DO"). The DO was first adopted on October 12, 1982 and amended on November 20, 2018, and it authorizes up to 32,400 retirement dwelling units, 400,000 square feet of commercial space and 250 hotel rooms on 11,122.66 acres. The OTOW Community also includes vested lands authorizing an additional 6,882 residential units and 1,936,000 square feet of commercial space, as well as parks and recreational space located over 2,071 acres pursuant to Resolution No. 2018-R-507, adopted by the Board of County Commissioners of the County on November 20, 2018, incorporating Binding Letter of Interpretation of Modification of Vested Development Rights (BLIM) 2018-DM-05.

Currently, the development has approximately 20,000 residents, inclusive of On Top Of the World, Calesa and Stone Creek, and is approximately 30% built out. Plans for the overall development and the community developments therein have been revised over the past thirty years-plus of development history to reflect the changing needs of the Marion County market, including the growth of families in the area as well as growth in the number of active adults anticipated over the buildout of the community.

A top priority in planning and development has been the creation of aesthetically pleasing community areas that are pedestrian driven as well as comfortable for the user. The relationship between traffic circulation and pedestrian accessibility has also been a key design consideration, as well as the

introduction of landscaped greenways interlinking the current and future communities. A strong emphasis has been placed on "amenitizing" by providing educational and community service programs to enhance the opportunities for self-fulfillment. The OTOW Community includes pioneering programs in continuing education and fitness programs to provide lifelong educational opportunities for the residents. The Developer is focused on the market for value and affordability, offering a wide variety of products that are affordable for a large percentage of retirees.

Amenities within the OTOW Community include three eighteen-hole golf courses; an indoor aquatic center; outdoor pools; a tennis center; three fully equipped gyms staffed with health, fitness & spa personnel; and over 200 clubs and organizations and extensive educational classes. There are multiple dining opportunities including both national and local eateries, including The Club at Candler Hills and the Pub, which are located inside the Candler Hills and OTOW Communities. In addition, the Development contains a 130,000 sq. ft. town center known as Circle Square Commons. Circle Square Commons offers The Ranch – a full-service salon/spa fitness center; The Cultural Center – a 900-seat performance auditorium and community center; Sid's Coffee Shop & Deli and Mr. B's Ice Cream parlor, in addition to various retail, financial and medical businesses.

Service Area

There are currently three age-restricted communities under development within the Service Area – Longleaf Ridge, Candler Hills and Weybourne Landing.

- Longleaf Ridge is a "maintenance inclusive," detached single-family product ranging in size from 1,400 sq. ft. to 3,000 sq. ft., with pricing from \$270,000 to over \$450,000. As of March 31, 2022, 306 units have been sold within Longleaf Ridge, with the potential for approximately 300 more homesites.
- Candler Hills is a golf course community with 1,825 detached single-family homesites currently developed or under development, and has the potential for an additional 3,825 homesites. This community offers luxury estate homes ranging in size from 2,100 sq. ft. to 3,000 sq. ft., with prices starting at \$390,000. As of March 31, 2022, 300 units have been sold within Candler Hills.
- Weybourne Landing is located within the 793-acre Bay Laurel PUD. This community currently has 571 single-family homesites developed or under development, with the potential for an additional 2,000 single family and 400 multi-family homesites. Homes in Weybourne Landing range in size from 1,350 sq. ft. to 2,150 sq. ft., with pricing from \$260,000 to \$315,000. As of March 31, 2022, 250 units have been sold within Weybourne Landing.

All three subdivisions are retirement-oriented, resort-style communities for active adults, with residential use and ownership restricted to persons fifty-five (55) years of age or older. There are future plans to potentially construct other neighborhoods that would be intergenerational in nature for those who are already retired or who will be retiring soon.

Stone Creek, a Del Webb community, contains 1,500 acres within the Service Area and is permitted for 4,000 residential units, of which 2,541 units have been sold as of March 31, 2022.

The Calesa Planned Unit Development is not age-restricted and is instead targeted toward families. Calesa is fully entitled as a vested development through BLIM 2018-DM-05 and has been approved as a Planned Development with 4,500 single-family units, 500 multifamily units and three commercial centers,

of which 531 units have been constructed or are under construction, and 214 units have been sold as of March 31, 2022.

The Earl Employment Center, located immediately east of Calesa, has been approved as a mixed-use development, comprised of employment uses, multifamily, and amenities to serve residents in Calesa and within the Earl Employment Center. The SR 200 Employment Center has been planned as a mixed-use development that will include employment uses, assisted/independent living, nursing homes, and multifamily housing.

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Status of Development

The following tables set forth the status of development within the District, as of [March 31, 2022]:

<i>CURRENT RESIDENTIAL</i>				
Residential Communities	Units Planned	Built/Occupied	Amenities	Acreage
OTOW Central	4,500	4,678	36 holes of Golf, Clubhouse, pool	1,943
Stone Creek (Pulte Homes)	4,000	2,494	18 holes golf, clubhouse, pool	1,400
Indigo East	650	593	Clubhouse, pool	205
Candler Hills	3,825	1,825	18 golf, Clubhouse, pool	874
Weybourne Landing	2,950	325	School, Recreation Sports Center	1,196
Calesa Township	3,285SF	100		
Grand Oaks	<u>1,800MF</u>	<u>0</u>		<u>48.58</u>
Total		10,015		5,666.58

Source: Developer.

<i>FUTURE RESIDENTIAL</i>				
Future Residential Communities	Units Planned	Expectation Of Development	Amenities Planned	Acreage
High Density Residential	TBD	TBD	TBD	3,411
Total	TBD			3,411

Source: Developer.

<i>CURRENT COMMERCIAL</i>				
Commercial	Square Ft Planned	Constructed/ Leased	Purpose	Acreage
Bay Laurel Commercial	250,000	94,786	Education & Cultural Center, Spa, shops	80
Town Place Suites (125 Rooms)	66,491		Hotel	
SR 200 Commercial Center	880,000	173,000	Retail	110
Bridgewater Park		<u>174,505.61</u>	Medical	<u>14.32</u>
Total	<u>1,196,491</u>	<u>442,292.61</u>		<u>204.32</u>

Source: Developer.

<i>FUTURE COMMERCIAL</i>				
Future Commercial	Square Ft Planned	Expectation Of Development	Product	Acreage
OTOW Commercial	TBD	TBD	TBD	410
Terralea Commercial	94,786	TBD	TBD	46.76
Earl Employment Center	Exchange of Residential	TBD	Light Industrial, Office, Retail	308
Bridgewater Park	TBD	TBD	Medical	<u>21.47</u>
Total				<u>786.23</u>

Source: Developer.

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

TAX MATTERS

General

The Internal Revenue Code of 1986, as amended (the "Code"), includes requirements that the District and the Issuer must continue to meet after the issuance of the Series 2022A Bonds in order that the interest on the Series 2022A Bonds be and remain excludable from gross income for federal income tax purposes. The Issuer or the District's failure to meet these requirements may cause the interest on the Series 2022A Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2022A Bonds. The Issuer and the District have covenanted in the Bond Resolution and the Series 2022A Indenture to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Series 2022A Bonds.

In the opinion of Greenberg Traurig, P.A., Bond Counsel, assuming the accuracy of certain representations and certifications of the Issuer, the District and certain other participants in the issuance of the Series 2022A Bonds and continuing compliance by the Issuer and the District with the tax covenants referred to above, under existing statutes, regulations, rulings, and court decisions, the interest on the Series 2022A Bonds is excludable from gross income of the holders thereof for federal income tax purposes; and, further, interest on the Series 2022A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. In the case of the alternative minimum tax imposed by Section 55(b)(2) of the Code on applicable corporations (as defined in Section 59(k) of the Code), interest on the Series 2022A Bonds is not excluded from the determination of adjusted financial statement income. Bond Counsel is further of the opinion that the Series 2022A Bonds and the interest thereon are not subject to taxation under the laws of the State, except as to estate taxes and taxes under Chapter 220, Florida Statutes, on interest, income, or profits on debt obligations owned by corporations as defined in said Chapter 220. Bond Counsel will express no opinion as to any other tax consequences regarding the Series 2022A Bonds. Prospective purchasers of the Series 2022A Bonds should consult their own tax advisors as to the status of interest on the Series 2022A Bonds under the tax laws of any state other than the State.

The above opinion on federal tax matters with respect to the Series 2022A Bonds will be based on and will assume the accuracy of certain representations and certifications of the Issuer, the District and certain other participants in the issuance of the Series 2022A Bonds, and compliance with certain covenants of the Issuer and the District to be contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Series 2022A Bonds will be and will remain obligations the interest on which is excludable from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of those certifications and representations. Bond Counsel will express no opinion as to any other consequences regarding the Series 2022A Bonds.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the receipt or accrual of the interest on the Series 2022A Bonds, or the ownership or disposition of the Series 2022A Bonds. Prospective purchasers of Series 2022A Bonds should be aware that the ownership of Series 2022A Bonds may result in other collateral federal tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry the Series 2022A Bonds, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by the applicable statutory percentage of certain items, including the interest on the

Series 2022A Bonds, (iii) the inclusion of the interest on the Series 2022A Bonds in the earnings of certain foreign corporations doing business in the United States for purposes of a branch profits tax, (iv) the inclusion of the interest on the Series 2022A Bonds in the passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year, (v) the inclusion of interest on the Series 2022A Bonds in the determination of the taxability of certain Social Security and Railroad Retirement benefits to certain recipients of such benefits, (vi) net gain realized upon the sale or other disposition of property such as the Series 2022A Bonds generally must be taken into account when computing the Medicare tax with respect to net investment income or undistributed net investment income, as applicable, imposed on certain high income individuals and specified trusts and estates and (vii) receipt of certain investment income, including interest on the Series 2022A Bonds, is considered when determining qualification limits for obtaining the earned income credit provided by Section 32(a) of the Code. The nature and extent of the other tax consequences described above will depend on the particular tax status and situation of each owner of the Series 2022A Bonds. Prospective purchasers of the Series 2022A Bonds should consult their own tax advisors as to the impact of these and any other tax consequences.

Bond Counsel's opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date of issuance of the Series 2022A Bonds. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinion is not a guarantee of a particular result, and is not binding on the IRS or the courts; rather, such opinion represents Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals suggested, debated, introduced, or pending in Congress or in the State legislature that, if enacted into law, could alter or amend one or more of the federal tax matters, or state tax matters, respectively, described above including, without limitation, the excludability from gross income of interest on the Series 2022A Bonds, or adversely affect the market price or marketability of the Series 2022A Bonds, or otherwise prevent the holders from realizing the full current benefit of the status of the interest thereon. It cannot be predicted whether or in what form any such proposal may be enacted, or whether, if enacted, any such proposal would affect the Series 2022A Bonds. Prospective purchasers of the Series 2022A Bonds should consult their tax advisors as to the impact of any proposed or pending legislation.

On August 16, 2022, President Biden signed the Inflation Reduction Act of 2022 (H.R. 5376) into law. For tax years beginning after 2022, this legislation will impose a minimum tax of 15 percent on the adjusted financial statement income of applicable corporations as defined in Section 59(k) of the Code (which is primarily designed to impose a minimum tax on certain large corporations). For this purpose, adjusted financial statement income is not reduced for interest earned on tax-exempt obligations. Prospective purchasers that could be subject to this minimum tax should consult with their own tax advisors regarding the potential consequences of owning the Series 2022A Bonds.

Information Reporting and Backup Withholding

Interest paid on tax-exempt bonds such as the Series 2022A Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2022A Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting

requirement, the Code subjects certain non-corporate owners of Series 2022A Bonds, under certain circumstances, to "backup withholding" at the rates set forth in the Code, with respect to payments on the Series 2022A Bonds and proceeds from the sale of Series 2022A Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2022A Bonds. This withholding generally applies if the owner of Series 2022A Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2022A Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

AGREEMENT BY THE STATE

Under the Act, the State pledges to the holders of any bonds issued thereunder, including the Series 2022A Bonds, that it will not limit or alter the rights of the issuer of such bonds, including the Issuer, to own, acquire, construct, reconstruct, improve, maintain, operate or furnish the projects subject to the Act, or to levy and collect taxes, assessments, rentals, rates, fees and other charges provided for in the Act and to fulfill the terms of any agreement made with the holders of such bonds and that it will not in any way impair the rights or remedies of such holders.

LEGALITY FOR INVESTMENT

The Act provides that bonds issued by community development districts are legal investments for savings banks, banks, trust companies, insurance companies, executors, administrators, trustees, guardians, and other fiduciaries, and for any board, body, agency, instrumentality, county, municipality or other political subdivision of the State, and constitute securities 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.

CONTINUING DISCLOSURE

In order to comply with the continuing disclosure requirements of Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the "Rule"), the Issuer and the District will enter into a Continuing Disclosure Certificate (the "Disclosure Certificate"), a form of which is attached hereto as APPENDIX F. Pursuant to the Disclosure Certificate, the Issuer and the District will covenant for the benefit of Bondholders to provide certain financial information and operating data relating to the Issuer and the District, respectively, and the Series 2022A Bonds in each year (the "District Annual Report") and to provide notices of the occurrence of certain enumerated material events. Notwithstanding any other provisions of the Series 2022A Indenture, failure of the Issuer or the District to comply with the Disclosure Certificate shall not be considered an Event of Default under the Series 2022A Indenture. However, the Series 2022A Indenture provides that the Trustee may (and, at the request of any Participating Underwriter (as defined in the Rule) or the Beneficial Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Series 2022A Bonds, shall), upon receipt of indemnity satisfactory to the Trustee, or any such Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under the Disclosure Certificate.

The District has previously entered into continuing disclosure undertakings pursuant to the Rule with respect to its Series 2011 Bonds and Series 2022B Bonds, as well as its Special Assessment Revenue

Refunding Bonds, Series 2016 Indigo (with respect to Indigo East CDD) and Series 2016 Candler (with respect to Candler CDD). A review of filings made pursuant to such prior undertakings indicates that certain filings with respect to the Series 2016 Indigo Bonds and the Series 2016 Candler Bonds did not include required information regarding assessed land values. In addition, the audited financial statement for the Fiscal Year ended September 30, 2021 was not timely filed, and no notice of late filing was provided. The District anticipates satisfying all future disclosure obligations required pursuant to its Disclosure Certificate and the Rule. The Issuer has [not] previously entered into continuing disclosure undertakings pursuant to the Rule. The Issuer will appoint Governmental Management Services – Central Florida, LLC, as the dissemination agent in the Disclosure Certificate.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Section 517.051, Florida Statutes, and the regulations promulgated thereunder (the "Disclosure Act") requires that the Issuer 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). The Issuer is not and has not ever been in default as to principal and interest on its bonds or other debt obligations.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Series 2022A Bonds upon an event of default under the Series 2022A Indenture are in many respects dependent upon judicial actions, which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including the federal bankruptcy code, the remedies specified by the Series 2022A Indenture and the Series 2022A Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2022A 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 and enacted before or after such delivery.

LITIGATION

The Issuer

There is no litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Series 2022A Bonds, or in any way contesting or affecting (i) the validity of the Series 2022A Bonds or any proceedings of the Issuer taken with respect to the issuance or sale thereof, (ii) the receipt or application of the Pledged Revenues pursuant to the Refunding Interlocal Agreement or (iii) the existence or powers of the Issuer.

The District

There is no litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Series 2022A Bonds, or in any way contesting or affecting (i) the validity of the Series 2022A Bonds or any proceedings of the District taken with respect to the issuance or sale thereof, (ii) the pledge or application of the Pledged Revenues, (iii) the existence or powers of the District or (iv) the operation of the Utilities System.

RATING

S&P Global Ratings, a business unit of Standard & Poor's Financial Services, LLC ("S&P") has assigned an underlying rating of ["__" (____ outlook)] to the Series 2022A Bonds. The Series 2022A Bonds will also be rated ["__" (____ outlook)] by S&P, based on the Series 2022A Credit Facility. See "MUNICIPAL BOND INSURANCE."

Such ratings reflect only the views of such organization and any desired explanation of the significance of such ratings should be obtained from the rating agency. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that such rating will not be revised downward or withdrawn entirely by the rating agency, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Series 2022A Bonds.

VALIDATION

The Series 2022A Bonds comprise a portion of bonds validated and confirmed by a final judgment of the Circuit Court of the Fifth Judicial Circuit of Florida, in and for Marion County, Florida, rendered on August 8, 2022. The time for taking an appeal from such judgment has expired with no appeal having been taken.

UNDERWRITING

Jefferies LLC and FMSbonds, Inc. (the "Underwriters") have agreed pursuant to a contract with the Issuer, subject to certain conditions, to purchase the Series 2022A Bonds from the Issuer at a purchase price of \$ _____ (which represents the principal amount of the Series 2022A Bonds, plus/less original issue premium/discount of \$ _____ and less Underwriters' discount in the amount of \$ _____). The Underwriters' obligations are subject to certain conditions precedent and the Underwriters will be obligated to purchase all the Series 2022A Bonds if any are purchased. The Series 2022A 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 Underwriters.

FINANCIAL STATEMENTS

This District will covenant in a Continuing Disclosure Certificate, the proposed form of which is set forth in APPENDIX F hereto, to provide its annual audited financial statements to certain information repositories as described in APPENDIX F, commencing with the audit for the District's fiscal year ending September 30, [2021]. Attached hereto as APPENDIX E is a copy of the District's audited financial statements for the District's fiscal year ended September 30, [2020]. The Series 2022A Bonds are not general obligation bonds of the Issuer or the District and are payable solely from the Pledged Revenues.

Beginning October 1, 2015, or by the end of the first full fiscal year after its creation, each community development district in Florida must have a separate website with certain information as set forth in Section 189.069, Florida Statutes, including, without limitation, the district's proposed and final budgets and audit. Additional information regarding the Issuer's and the District's websites is available from the District Manager at the address set forth under "THE ISSUER – The District Manager and Other Consultants."

EXPERTS

Kimley-Horn and Associates, Inc., as Consulting Engineer, has prepared the Engineer's Report included herein as APPENDIX A, which report should be read in its entirety. Willdan Financial Services, as the Feasibility Consultant, has prepared the Feasibility Report included herein as APPENDIX B, which report should be read in its entirety. As a condition to closing on the Series 2022A Bonds, both the Consulting Engineer and the Feasibility Consultant will consent to the inclusion of their reports in this Official Statement.

CONTINGENT FEES

The District and the Issuer have, as applicable retained Bond Counsel, Issuer's Counsel, District Counsel, Special District Counsel, the Consulting Engineer, the Feasibility Consultant, the District Manager, the Underwriters (who have retained Underwriters' Counsel) and the Trustee (which has retained Trustee's counsel), with respect to the authorization, sale, execution and delivery of the Series 2022A Bonds. Except for the payment of certain fees to Issuer's Counsel, District Counsel, the Consulting Engineer, the Feasibility Consultant and the District Manager, the payment of fees of the other professionals is each contingent upon the issuance of the Series 2022A Bonds.

LEGAL MATTERS

Certain legal matters related to the authorization, sale and delivery of the Series 2022A Bonds are subject to the approval of Greenberg Traurig, P.A., Tallahassee, Florida, Bond Counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, GrayRobinson, P.A., Tampa, Florida. Certain legal matters will be passed upon by Kutak Rock LLP, Tallahassee, Florida, Special District Counsel, and Colen & Wagoner, P.A., Clearwater, Florida, Counsel to the Issuer and the District. Certain legal matters will be passed upon for the Developer by its counsel, Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A., Tallahassee, Florida. Certain legal matters will be passed upon for the Trustee by its counsel, Holland & Knight, LLP, Miami, Florida.

The form of opinion of Bond Counsel is attached hereto as APPENDIX D. The actual opinion may vary from the form attached hereto and is based on existing law, which is subject to change, and is further based on factual representations made to Bond Counsel as of the date of such opinion. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinion is not a guarantee of a particular result and is not binding on the courts; rather, such opinion represents Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

[Remainder of page intentionally left blank.]

MISCELLANEOUS

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

The references herein to the Series 2022A 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 Official Statement has been prepared in connection with the sale of the Series 2022A Bonds and may not be reproduced or used, as a whole or as a part, for any purpose. This Official Statement is not to be construed as a contract with the purchaser or the Owners or Beneficial Owners of any of the Series 2022A Bonds.

[Remainder of page intentionally left blank.]

This Official Statement has been duly authorized, executed and delivered by the Issuer.

**INDIGO EAST COMMUNITY
DEVELOPMENT DISTRICT**

Dated: _____ 2022

Chairman, Board of Supervisors

APPENDIX A

ENGINEER'S REPORT

APPENDIX B
FEASIBILITY REPORT

APPENDIX C

**COPY OF THE TRUST INDENTURE AND
FORM OF THE SUPPLEMENTAL INDENTURE**

APPENDIX D

PROPOSED FORM OF OPINION OF BOND COUNSEL

APPENDIX E

**AUDITED FINANCIAL STATEMENTS OF THE INDIGO EAST
DISTRICT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, [2020]**

APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE

APPENDIX G

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

SECTION 4

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by Indigo East Community Development District (the "Issuer") and Bay Laurel Center Community Development District (the "District") in connection with the issuance of the Issuer's \$[_____] Water and Sewer Revenue Refunding Bonds, Series 2022A (the "Series 2022A Bonds"). The Series 2022A Bonds are being issued pursuant to a Trust Indenture, dated as of October 1, 2011 (the "Trust Indenture"), by and between the District and U.S. Bank Trust Company, National Association, Fort Lauderdale, Florida (as successor in interest to U.S. Bank National Association), as trustee (the "Trustee"), as supplemented with respect to the Series 2022A Bonds by the Series 2022A Supplemental Trust Indenture, dated as of September 1, 2022 (the "Series 2022A Supplemental Trust," together with the Trust Indenture, the "Series 2022A Indenture"), each by and among the Issuer, the District and the Trustee. The Issuer and the District covenant and agree as follows:

SECTION 1. PURPOSE OF DISCLOSURE CERTIFICATE. This Disclosure Certificate is being executed and delivered by the Issuer and the District for the benefit of the Series 2022A Bondholders and to assist the original underwriters of the Series 2022A Bonds in complying with Rule 15c2-12 of the United States Securities and Exchange Commission ("SEC") under the Securities Exchange Act of 1934, as the same may be amended from time to time (the "Rule").

SECTION 2. DEFINITIONS. Capitalized terms used, but not otherwise defined herein, shall have the respective meanings assigned such terms in the Series 2022A Indenture.

"Financial Obligation" means a (a) debt obligation, (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) guarantee of an obligation or instrument described in either clause (a) or (b). Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Repository" shall mean each entity authorized and approved by the SEC (as hereinafter defined) from time to time to act as a repository for purposes of complying with the Rule. The Repositories approved by the SEC may be found by visiting the SEC's website at <http://www.sec.gov/info/municipal/nrmsir.htm>. As of the date hereof, the Repository recognized by the SEC for such purpose is the MSRB, which currently accepts continuing disclosure submissions through its EMMA web portal. As used herein, "Repository" shall include the State Repository, if any.

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

SECTION 3. PROVISION OF ANNUAL INFORMATION. Except as otherwise provided herein, the District shall provide to the Municipal Securities Rulemaking Board (the "MSRB"), in the manner described in Section 5 hereof, on or before April 30 of each year, commencing April 30, 2023 with the report for the 2022 Fiscal Year, the information set forth below in this Section 3 ("Annual Report"); *provided that* the District's audited financial statements may be submitted separately from the balance of the Annual Report, and may be submitted in accordance with State law, which currently requires such audited financial statements to be provided up to, but no later than, nine (9) months after the close of the District's Fiscal Year (the "Audited Financial Statements Filing Date"). The District shall file its audited financial statements for the 2021 Fiscal Year by [_____, 2022].

(A) The District's audited financial statements for the immediately preceding Fiscal Year prepared in accordance with Generally Accepted Accounting Principles, as modified by applicable State of Florida requirements and the governmental accounting standards promulgated by the Government Accounting Standards Board; and

(B) To the extent not set forth in the information contained in (A) above, additional financial information and operating data of the type included with respect to the District in the final official statement prepared in connection with the sale and issuance of the Series 2022A Bonds (the "Official Statement"), as set forth below:

1. Updates of the information set forth in the Official Statement under the principal caption "THE UTILITIES SYSTEM," in the tables labeled "Ten Largest Customers," "Historical Operating Results" and the actual operating results set forth in the form and categories depicted under the table labeled "Projected Operating Results" for the period then-ended and all previous periods from the fiscal year in which the Bonds are issued to the date of the filing of such information, but not to exceed five (5) fiscal years.

2. Description of any additional indebtedness secured in whole or in part from the Pledged Funds (as defined in the Official Statement).

For purposes of this Disclosure Certificate, "Fiscal Year" means 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.

SECTION 4. REPORTING LISTED EVENTS. The Issuer and the District, as applicable, shall provide to the Repository, on a timely basis, notice of any of the following events ("Listed Event") with respect to the Series 2022A Bonds:

- (A) Principal and interest payment delinquencies;
- (B) Non-payment related defaults, if material;
- (C) Unscheduled draws on the debt service reserve fund reflecting financial difficulties;
- (D) Unscheduled draws on credit enhancement reflecting financial difficulties;
- (E) Substitution of credit or liquidity providers, or their failure to perform;
- (F) [Reserved];
- (G) Modifications to rights of Series 2022A Bondholders, if material;
- (H) Calls on the Series 2022A Bonds, if material, and tender offers;
- (I) Defeasance of the Series 2022A Bonds;
- (J) Release, substitution, or sale of property securing repayment of the Series 2022A Bonds, if material;
- (K) Rating changes;

(L) Bankruptcy, insolvency, receivership or similar event of the Issuer or the District (which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer or the District, as applicable, in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer or the District, as applicable, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer or the District, as applicable);

(M) Consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(N) Appointment of a successor or additional Trustee or the change of name of the Trustee, if material;

(O) Incurrence of a Financial Obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders, if material;

(P) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the District, any of which reflect financial difficulties;

(Q) Failure to provide (A) any Annual Report as required hereunder that contains, in all material respects, the information required to be included therein under Section 3 hereof, or (B) notice of any Listed Event as required under this Section 4; and

(R) Any amendment to the accounting principles to be followed in preparing financial statements as required pursuant to Section 3(A) hereof.

The Issuer and the District may from time to time, in their discretion, choose to provide notice of the occurrence of certain other events, in addition to those listed in this Section 4, if, in the judgment of the Issuer or the District, such other events are material with respect to the Series 2022A Bonds, but the Issuer and the District do not specifically undertake to commit to provide any such additional notice of the occurrence of any material event except those events listed above.

SECTION 5. SUBMISSION OF INFORMATION TO THE MSRB. The information required to be disclosed pursuant to Sections 3 and 4 of this Disclosure Certificate shall be submitted to the MSRB through its Electronic Municipal Market Access system ("EMMA"). Subject to future changes in submission rules and regulations, such submissions shall be provided to the MSRB, through EMMA, in portable document format ("PDF") files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. Such PDF files shall be word-searchable (allowing the user to search for specific terms used within the document through a search or find function available in a software package).

Subject to future changes in submission rules and regulations, at the time that such information is submitted through EMMA, the Issuer or the District, or any dissemination agent engaged by the Issuer pursuant to Section 8 hereof, shall also provide to the MSRB information necessary to accurately identify:

- (A) the category of information being provided;
- (B) the period covered by the audited financial statements and any additional financial information and operating data being provided;
- (C) the issues or specific securities to which such submission is related or otherwise material (including CUSIP number, issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate);
- (D) the name of any Obligated Person other than the Issuer;
- (E) the name and date of the document being submitted; and
- (F) contact information for the submitter.

SECTION 6. NO EVENT OF DEFAULT. Notwithstanding any other provision in the Series 2022A Indenture to the contrary, failure of the Issuer or the District to comply with the provisions of this Disclosure Certificate shall not be considered an event of default under the Trust Indenture. To the extent permitted by law, the sole and exclusive remedy of any Series 2022A Bondholder for the enforcement of the provisions hereof shall be an action for mandamus or specific performance, as applicable, by court order, to cause the Issuer or the District, as applicable, to comply with its obligations hereunder. For purposes of this Disclosure Certificate, "Series 2022A Bondholder" shall mean any person who (A) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2022A Bonds (including persons holding Series 2022A Bonds through nominees, depositories or other intermediaries), or (B) is treated as the owner of any Series 2022A Bond for federal income tax purposes.

SECTION 7. INCORPORATION BY REFERENCE. Any or all of the information required herein to be disclosed may be incorporated by reference from other documents, including official statements or debt issues of the Issuer, the District or related public entities, which have been submitted to the MSRB or the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. Each document incorporated by reference shall be clearly identified.

SECTION 8. DISSEMINATION AGENTS. The Issuer hereby appoints Governmental Management Services as the initial dissemination agent. The Issuer may, from time to time, appoint or engage another dissemination agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

SECTION 9. TERMINATION. The Issuer's and the District's obligations under this Disclosure Certificate shall terminate upon (A) the legal defeasance, prior redemption or payment in full of all of the Series 2022A Bonds, or (B) the termination of the continuing disclosure requirements of the Rule by legislative, judicial or administrative action.

SECTION 10. AMENDMENTS. Notwithstanding any other provision of this Disclosure Certificate, the Issuer and the District may amend this Disclosure Certificate, and any provision may be waived, if such amendment or waiver is supported by an opinion of counsel that is nationally recognized in the area of federal securities laws, 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.

SECTION 11. ADDITIONAL INFORMATION. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer or the District from disseminating any other information, using the means of

dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in its annual information described in Section 3 hereof or notice of occurrence of a significant event described in Section 4 hereof, in addition to that which is required by this Disclosure Certificate. If the Issuer or the District chooses to include any information in its annual information or notice of occurrence of a significant event in addition to that which is specifically required by this Disclosure Certificate, the Issuer and the District, as applicable, shall have no obligation under this Disclosure Certificate to update such information or include it in its future annual information or notice of occurrence of a significant event.

SECTION 12. OBLIGATED PERSONS. If any person, other than the Issuer or the District, becomes an Obligated Person (as defined in the Rule) relating to the Series 2022A Bonds, the Issuer and the District shall use their best efforts to require such Obligated Person to comply with all provisions of the Rule applicable to such Obligated Person.

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[Signature Page to Continuing Disclosure Certificate]

Dated as of this __ day of ____, 2022

ATTEST:

**INDIGO EAST COMMUNITY
DEVELOPMENT DISTRICT**

By: _____
Secretary

By: _____
Chairman, Board of Supervisors

ATTEST:

**BAY LAUREL CENTER COMMUNITY
DEVELOPMENT DISTRICT**

By: _____
Secretary

By: _____
Chairman, Board of Supervisors