



Rizzetta & Company

Town of Kindred Community Development District II

**Board of Supervisors'
Special Meeting
August 10, 2021**

District Office:
8529 South Park Circle, Suite 330
Orlando, Florida 32819
407.472.2471

www.townofkindredcdd2.org

TOWN OF KINDRED COMMUNITY DEVELOPMENT DISTRICT II

Holiday Inn Orlando (SW Celebration Area), 5711 W. Irlo Bronson Memorial Highway,
Kissimmee, FL 34746

Board of Supervisors	John Valantasis John Auld Louis Avelli Matthew Stolz Anthony Benitez	Board Supervisor Board Supervisor Board Supervisor Board Supervisor Board Supervisor
District Manager	Richard Hernandez	Rizzetta & Company, Inc.
District Counsel	Michelle Rigoni Sarah Sandy	Hopping Green & Sams Hopping Green & Sams
District Engineer	Xabier Guerricagoitia	Boyd Civil Engineering

All cellular phones must be placed on mute while in the meeting room.

The Audience Comment portion of the agenda is where individuals may make comments on matters that concern the District. Individuals are limited to a total of three (3) minutes to make comments during this time.

Pursuant to provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this meeting/hearing/workshop is asked to advise the District Office at least forty-eight (48) hours before the meeting/hearing/workshop by contacting the District Manager at (407) 472-2471. If you are hearing or speech impaired, please contact the Florida Relay Service by dialing 7-1-1, or 1-800-955-8771 (TTY) 1-800-955-8770 (Voice), who can aid you in contacting the District Office.

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

TOWN OF KINDRED COMMUNITY DEVELOPMENT DISTRICT II
District Office · Orlando, Florida · (407) 472-2471
Mailing Address · 3434 Colwell Avenue, Suite 200, Tampa, Florida 33614

www.townofkindredcdd2.org

August 3, 2021

Board of Supervisors
**Town of Kindred Community
Development District II**

AGENDA

Dear Board Members:

The special meeting of the Board of Supervisors of the Town of Kindred Community Development District II will be held on **Tuesday, August 10, 2021 at 10:30 a.m.** at the Holiday Inn Orlando (SW Celebration Area), 5711 W. Irlo Bronson Memorial Highway, Kissimmee, FL 34746. The following is the agenda for the meeting:

- 1. CALL TO ORDER/ROLL CALL**
- 2. PUBLIC COMMENT**
- 3. BUSINESS ADMINISTRATION**
 - A. Consideration of the Minutes of the Board of Supervisors' Meeting held on June 8, 2021.....Tab 1
 - B. Consideration of Operation and Maintenance Expenditures May & June 2021.....Tab 2
- 4. BUSINESS ITEMS**
 - A. Public Hearing on Fiscal Year 2021/2022 Final Budget
 - i. Consideration of Resolution 2021-07, Adopting Fiscal Year 2021-2022 Final Budget.....Tab 3
(this will be inclusive of 2 different budgets – one with the Phase 2B O&M and one without)
 - ii. Consideration of Resolution 2021-08, Imposing Special Assessments and Certifying an Assessment Roll.....Tab 4
 - iii. Consideration of Deficit Funding Agreement for Fiscal Year 2021-2022.....*under separate cover*
 - B. Consideration of Resolution 2021-09, Setting the Fiscal Year 2021-2022 Meeting ScheduleTab 5
 - C. Acceptance of Fiscal Year End 2020 Annual Audit.....Tab 6
 - D. Consideration of Supplemental Engineer's Report (Series 2021 Project).....*under separate cover*
 - E. Consideration of Supplemental Assessment Methodology (Series 2021 Project) *under separate cover*
 - F. Consideration of Delegation Resolution 2021-10, Series 2021.....Tab 7
 - G. Consideration of Series 2021 Developer Agreements.....Tab 8
 - i. Acquisition Agreement
 - ii. Completion Agreement
 - iii. True-Up Agreement
 - iv. Collateral Assignment Agreement
 - v. Declaration of Consent to Jurisdiction
 - H. Consideration of Resolution 2021-11, Authorizing Boundary AmendmentTab 9
 - I. Consideration of Boundary Amendment Funding Agreement..*under separate cover*

5. STAFF REPORTS

- A. District Counsel
- B. District Engineer
- C. District Manager

6. SUPERVISOR REQUESTS AND COMMENTS

7. ADJOURNMENT

We look forward to seeing you at the meeting. In the meantime, if you have any questions, please do not hesitate to call us at (407) 472-2471.

Very truly yours,

Richard Hernandez

Richard Hernandez
District Manager

cc: Michelle Rigoni; Sarah Sandy, Hopping Green & Sams, P.A.

Tab 1

MINUTES OF MEETING

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

**TOWN OF KINDRED
COMMUNITY DEVELOPMENT DISTRICT II**

The special meeting of the Board of Supervisors of the **Town of Kindred Community Development District II** was held on **June 8, 2021 at 11:07 a.m.**, at the **Holiday Inn Orlando (SW Celebration Area)**, located at **5711 W. Irlo Bronson Memorial Highway, Kissimmee, FL 34746**.

Present and constituting a quorum:

John Valantasis	Board Supervisor, Chairman
Matthew Stolz	Board Supervisor, Assistant Secretary
Lou Avelli	Board Supervisor, Assistant Secretary

Also present were:

Belinda Blandon	District Manager, Rizzetta & Company, Inc. (via phone)
Richard Hernandez	District Manager, Rizzetta & Company, Inc.
Paul Almonte	Community & Lifestyle Manager, Artemis Lifestyles (via phone)
Ashely Sorto	Community & Lifestyle Director, Artemis Lifestyles (via phone)
Tucker Mackie	Attorney, Hopping Green & Sams (via phone)
Michelle Rigoni	Attorney, Hopping Green & Sams (via phone)
Xabier Guerricagoitia	Boyd Civil Engineering, Inc. (via phone)
Jo Thacker	Developer Counsel, Nelson Mullins (via phone)
Brett Sealy	MBS Capital Markets, LLC (via phone)
Paul Almonte	CAM, Artemis Lifestyles (via phone)
Audience Members	Present (Anthony Benitez sworn in)

FIRST ORDER OF BUSINESS

Call to Order

Mr. Hernandez called the meeting to order and read the roll.

SECOND ORDER OF BUSINESS

Audience Comments on the Agenda Items

There were no audience comments at this time.

THIRD ORDER OF BUSINESS

**Acceptance of Resignation from Supervisor
Bradley Kingsley**

On Motion by Mr. Valantasis, seconded by Mr. Stolz, with all in favor, the Board of Supervisors' accepted Supervisor Bradley Kingsley's resignation effective June 2, 2021, for the Town of Kindred Community Development District II.

FOURTH ORDER OF BUSINESS

**Appointment of Candidate to Board of
Supervisors**

On Motion by Mr. Stolz, seconded by Mr. Valantasis, with all in favor, the Board of Supervisors' appointed Mr. Anthony Benitez to the Board of Supervisors, for the Town of Kindred Community Development District II.

FIFTH ORDER OF BUSINESS

**Consideration of Resolution 2021-05
Designating Officers**

Resolution 2021-05 Designating Officers designates Anthony Benitez as an Assistant Secretary for the District.

On Motion by Mr. Stolz, seconded by Mr. Avelli, with all in favor, the Board of Supervisors' approved Resolution 2021-05 Designating Officers, for the Town of Kindred Community Development District II.

SIXTH ORDER OF BUSINESS

**Consideration of the Minutes of the Board of
Supervisors' Special Meeting held on April
13, 2021**

On Motion by Mr. Stolz, seconded by Mr. Avelli, with all in favor, the Board of Supervisors' approved the minutes of the Board of Supervisors' Continued Meeting held on April 13, 2021, for the Town of Kindred Community Development District II.

74 **SEVENTH ORDER OF BUSINESS**

Ratification of the Operation & Maintenance Expenditures for March and April 2021

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77 Mr. Hernandez presented the operation & maintenance expenditures March and April
78 2021. Discussion ensued.
79

On Motion by Mr. Avelli, seconded by Mr. Stolz, with all in favor, the Board of Supervisors' ratified the Operation & Maintenance Expenditures for March 2021 in the amount of \$ 22,184.36 and April 2021 in the amount of \$ 22,472.29, as presented for the Town of Kindred Community Development District II.

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81 **EIGHTH ORDER OF BUSINESS**

Ratification of Conveyance and Acquisition Documents for Phase 2A, Tract M and Tract Q and Related Improvements

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85 *This agenda item was tabled.*
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87 **NINTH ORDER OF BUSINESS**

Presentation of Proposed Budget Fiscal Year 2021/2022

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90 Mr. Hernandez presented the Fiscal Year 2021-2022 budget to the Board for consideration.

91
92 *Consideration of Resolution 2020-06, Approving the Proposed Budget Fiscal Year*
93 *2021/2022 and Setting the Public Hearing*
94

95 On a motion by Mr. Stolz, seconded by Mr. Avelli, with all in favor, the Board of Supervisors
96 approved Resolution 2020-06, Approving the Proposed Budget Fiscal Year 2021/2022 and
97 Setting the Public Hearing for August 10th, 2021 at 10:30 a.m., for the Town of Kindred
98 Community Development District II.

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100 **TENTH ORDER OF BUSINESS**

Discussion Regarding Phase 2 Amenities

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102 Ms. Rigoni discussed the Phase 2 amenities with the Board.
103

104 **ELEVENTH ORDER OF BUSINESS**

Consideration of Investment Banking Agreement – MBS Capital Markets

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107 On a motion by Mr. **Stolz**, seconded by Mr. Valantasis, with all in favor, the Board of Supervisors
108 approved the Investment Banking Agreement with MBS Capital Markets, for the Town of Kindred
109 Community Development District II.
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113 **TWELFTH ORDER OF BUSINESS** **Staff Reports**

- 114
- 115 A. District Counsel
- 116 No Report.
- 117
- 118 B. District Engineer
- 119 No Report.
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- 121 C. District Manager
- 122 Mr. Hernandez stated that the registered voter count was 117 as of April 15, 2021.
- 123
- 124 Mr. Hernandez reminded the Board that the next meeting was scheduled to be
- 125 held on August 10, 2021.
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127 **THIRTEENTH ORDER OF BUSINESS** **Supervisor Requests**

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129 There were no Supervisor requests.

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158 **FOURTEENTH ORDER OF BUSINESS** **Adjournment**

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On a motion by Mr. Benitez, seconded by Mr. Stolz, with all in favor, the Board of Supervisors' adjourned the meeting at 11:59 a.m., for Town of Kindred Community Development District II.

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Assistant Secretary

Chairman/Vice Chairman

DRAFT

Tab 2

TOWN OF KINDRED II COMMUNITY DEVELOPMENT DISTRICT

District Office · Orlando, FL 32819

MAILING ADDRESS · 3434 COLWELL AVENUE, SUITE 200 · TAMPA, FLORIDA 33614

WWW.TOWNOFKINDREDCDD2.ORG

Operation and Maintenance Expenditures May 2021 For Board Approval

Attached please find the check register listing the Operation and Maintenance expenditures paid from May 1, 2021 through May 31, 2021. This does not include expenditures previously approved by the Board.

The total items being presented: **\$14,845.86**

Approval of Expenditures:

_____ Chairperson

_____ Vice Chairperson

_____ Assistant Secretary

Town of Kindred II Community Development District

Paid Operation & Maintenance Expenditures

May 1, 2021 Through May 31, 2021

<u>Vendor Name</u>	<u>Check Number</u>	<u>Invoice Number</u>	<u>Invoice Description</u>	<u>Invoice Amount</u>
Boyd Civil Engineering, Inc.	001087	02967	Engineering Services 04/21	\$ 100.00
Celebration PH Holdings, Ltd. dba Holiday Inn SW	001093	BEO 7326	BOS Meeting Room Rental 06/08/21	\$ 92.25
Celebration PH Holdings, Ltd. dba Holiday Inn SW	001093	BEO 7327	BOS Meeting Room Rental 08/10/21	\$ 92.25
Hopping Green & Sams, P.A.	001091	122207	Legal Service 01/21-03/21	\$ 745.00
Imperial PFS Corporation	001088	GAA-A63104 Payment 8 of 11	Gen Lia/POL Insurance FY20/21 Pymt 8 of 11	\$ 431.02
Kissimmee Utility Authority	001092	KUA Summary 04/21	KUA Summary 04/21	\$ 1,194.27
Orlando Sentinel Media Group	001089	035622899000	Acct # CU00160414 Legal Advertising 04/21	\$ 387.51
Rizzetta & Company, Inc.	001085	INV0000058185	District Management Services 05/21	\$ 3,850.00
Rizzetta Technology Services	001086	INV0000007506	Website Development 05/21	\$ 100.00
SSS Down To Earth Opco LLC dba Down To Earth	001084	7921	Landscape Maintenance 04/21	\$ 6,282.25
Toho Water Authority	001090	Water Summary 04/21	Water Summary 04/21	<u>\$ 1,571.31</u>
Report Total				<u>\$ 14,845.86</u>

TOWN OF KINDRED II COMMUNITY DEVELOPMENT DISTRICT

District Office · Orlando, FL 32819

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WWW.TOWNOFKINDREDCDD2.ORG

Operation and Maintenance Expenditures June 2021 For Board Approval

Attached please find the check register listing the Operation and Maintenance expenditures paid from June 1, 2021 through June 30, 2021. This does not include expenditures previously approved by the Board.

The total items being presented: **\$21,308.87**

Approval of Expenditures:

_____ Chairperson

_____ Vice Chairperson

_____ Assistant Secretary

Town of Kindred II Community Development District

Paid Operation & Maintenance Expenditures

June 1, 2021 Through June 30, 2021

<u>Vendor Name</u>	<u>Check Number</u>	<u>Invoice Number</u>	<u>Invoice Description</u>	<u>Invoice Amount</u>
Hopping Green & Sams, P.A.	001095	121499	Legal Service 02/21	\$ 740.00
Hopping Green & Sams, P.A.	001095	122574	Legal Service 04/21	\$ 2,014.50
Imperial PFS Corporation	001100	GAA-A63104 Payment 9 of 11	Gen Lia/POL Insurance FY20/21 Pymt 9 of 11	\$ 431.02
Rizzetta & Company, Inc.	001096	INV0000058955	District Management Services 06/21	\$ 3,850.00
Rizzetta Technology Services	001097	INV0000007599	Website Development 06/21	\$ 100.00
SSS Down To Earth Opco LLC dba Down To Earth	001094	96658	Landscape Maintenance 05/21	\$ 6,282.25
SSS Down To Earth Opco LLC dba Down To Earth	001098	INV99380	Landscape Maintenance 06/21	\$ 6,282.25
Toho Water Authority	001099	Water Summary 05/21	Water Summary 05/21	<u>\$ 1,608.85</u>
Report Total				<u>\$ 21,308.87</u>

Tab 3

RESOLUTION 2021-07

THE ANNUAL APPROPRIATION RESOLUTION OF THE TOWN OF KINDRED COMMUNITY DEVELOPMENT DISTRICT II (“DISTRICT”) RELATING TO THE ANNUAL APPROPRIATIONS AND ADOPTING THE BUDGETS FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2021, AND ENDING SEPTEMBER 30, 2022; AUTHORIZING BUDGET AMENDMENTS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the District Manager has, prior to the fifteenth (15th) day in June 2021, submitted to the Board of Supervisors (“**Board**”) of the Town of Kindred Community Development District II (“**District**”) proposed budgets (“**Proposed Budget**”) for the fiscal year beginning October 1, 2021 and ending September 30, 2022 (“**Fiscal Year 2021/2022**”) along with an explanatory and complete financial plan for each fund of the District, pursuant to the provisions of Section 190.008(2)(a), *Florida Statutes*; and

WHEREAS, at least sixty (60) days prior to the adoption of the Proposed Budget, the District filed a copy of the Proposed Budget with the local governing authorities having jurisdiction over the area included in the District pursuant to the provisions of Section 190.008(2)(b), *Florida Statutes*; and

WHEREAS, the Board set a public hearing thereon and caused notice of such public hearing to be given by publication pursuant to Section 190.008(2)(a), *Florida Statutes*; and

WHEREAS, the District Manager posted the Proposed Budget on the District’s website at least two days before the public hearing; and

WHEREAS, Section 190.008(2)(a), *Florida Statutes*, requires that, prior to October 1st of each year, the Board, by passage of the Annual Appropriation Resolution, shall adopt a budget for the ensuing fiscal year and appropriate such sums of money as the Board deems necessary to defray all expenditures of the District during the ensuing fiscal year; and

WHEREAS, the District Manager has prepared a Proposed Budget, whereby the budget shall project the cash receipts and disbursements anticipated during a given time period, including reserves for contingencies for emergency or other unanticipated expenditures during the fiscal year.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE TOWN OF KINDRED COMMUNITY DEVELOPMENT DISTRICT II:

SECTION 1. BUDGET

- a. The Board has reviewed the Proposed Budget, a copy of which is on file with the office of the District Manager and at the District’s Local Records Office, and hereby approves certain amendments thereto, as shown in Section 2 below.
- b. The Proposed Budget, attached hereto as **Exhibit “A,”** as amended by the Board, is hereby adopted in accordance with the provisions of Section 190.008(2)(a), *Florida Statutes* (“**Adopted Budget**”), and incorporated herein by reference; provided, however, that the comparative figures contained in the Adopted Budget

may be subsequently revised as deemed necessary by the District Manager to reflect actual revenues and expenditures.

- c. The Adopted Budget, as amended, shall be maintained in the office of the District Manager and at the District's Local Records Office and identified as "The Budget for the Town of Kindred Community Development District II for the Fiscal Year Ending September 30, 2022."
- d. The Adopted Budget shall be posted by the District Manager on the District's official website within thirty (30) days after adoption, and shall remain on the website for at least 2 years.

SECTION 2. APPROPRIATIONS

There is hereby appropriated out of the revenues of the District, for Fiscal Year 2021/2022, the sum of \$_____ to be raised by the levy of assessments and/or otherwise, which sum is deemed by the Board to be necessary to defray all expenditures of the District during said budget year, to be divided and appropriated in the following fashion:

TOTAL GENERAL FUND	\$ _____
DEBT SERVICE FUND (SERIES 2020)	\$ _____

SECTION 3. BUDGET AMENDMENTS

Pursuant to Section 189.016, *Florida Statutes*, the District at any time within Fiscal Year 2021/2022 or within 60 days following the end of the Fiscal Year 2021/2022 may amend its Adopted Budget for that fiscal year as follows:

- a. A line-item appropriation for expenditures within a fund may be decreased or increased by motion of the Board recorded in the minutes, and approving the expenditure, if the total appropriations of the fund do not increase.
- b. The District Manager or Treasurer may approve an expenditure that would increase or decrease a line-item appropriation for expenditures within a fund if the total appropriations of the fund do not increase and if either (i) the aggregate change in the original appropriation item does not exceed the greater of \$15,000 or 15% of the original appropriation, or (ii) such expenditure is authorized by separate disbursement or spending resolution.
- c. Any other budget amendments shall be adopted by resolution and consistent with Florida law.

The District Manager or Treasurer must ensure that any amendments to the budget under paragraph c. above are posted on the District's website within 5 days after adoption and remain on the website for at least 2 years.

SECTION 4. EFFECTIVE DATE. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED this 10th day of August 2021.

ATTEST:

**TOWN OF KINDRED COMMUNITY
DEVELOPMENT DISTRICT II**

Secretary/Assistant Secretary

Chairperson, Board of Supervisors

Tab 4

RESOLUTION 2021-08

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE TOWN OF KINDRED COMMUNITY DEVELOPMENT DISTRICT II MAKING A DETERMINATION OF BENEFIT AND IMPOSING SPECIAL ASSESSMENTS FOR FISCAL YEAR 2021/2022; PROVIDING FOR THE COLLECTION AND ENFORCEMENT OF SPECIAL ASSESSMENTS, INCLUDING BUT NOT LIMITED TO PENALTIES AND INTEREST THEREON; CERTIFYING AN ASSESSMENT ROLL; PROVIDING FOR AMENDMENTS TO THE ASSESSMENT ROLL; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Kindred Community Development District II ("**District**") is a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*, for the purpose of providing, operating and maintaining infrastructure improvements, facilities and services to the lands within the District; and

WHEREAS, the District is located in Osceola County, Florida ("**County**"); and

WHEREAS, the District has constructed or acquired various infrastructure improvements and provides certain services in accordance with the District's adopted capital improvement plan and Chapter 190, *Florida Statutes*; and

WHEREAS, the Board of Supervisors ("**Board**") of the District hereby determines to undertake various operations and maintenance and other activities described in the District's budget ("**Adopted Budget**") for the fiscal year beginning October 1, 2021, and ending September 30, 2022 ("**Fiscal Year 2021/2022**"), attached hereto as **Exhibit "A,"** and

WHEREAS, the District must obtain sufficient funds to provide for the operation and maintenance of the services and facilities provided by the District as described in the Adopted Budget; and

WHEREAS, the provision of such services, facilities, and operations is a benefit to lands within the District; and

WHEREAS, Chapter 190, *Florida Statutes*, provides that the District may impose special assessments on benefitted lands within the District; and

WHEREAS, it is in the best interests of the District to proceed with the imposition of the special assessments for operations and maintenance in the amount set forth in the Adopted Budget; and

WHEREAS, the District has previously levied an assessment for debt service, which the District desires to collect for Fiscal Year 2021/2022; and

WHEREAS, Chapter 197, *Florida Statutes*, provides a mechanism pursuant to which such special assessments may be placed on the tax roll and collected by the local tax collector ("**Uniform Method**"), and the District has previously authorized the use of the Uniform Method by, among other things, entering into agreements with the Property Appraiser and Tax Collector of the County for that purpose; and

WHEREAS, it is in the best interests of the District to adopt the assessment roll (“**Assessment Roll**”) attached to this Resolution as **Exhibit “B,”** and to certify the portion of the Assessment Roll related to certain developed property (“**Tax Roll Property**”) to the County Tax Collector pursuant to the Uniform Method and to directly collect the portion of the Assessment Roll relating to the remaining property (“**Direct Collect Property**”), all as set forth in **Exhibit “B;”** and

WHEREAS, it is in the best interests of the District to permit the District Manager to amend the Assessment Roll adopted herein, including that portion certified to the County Tax Collector by this Resolution, as the Property Appraiser updates the property roll for the County, for such time as authorized by Florida law.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE TOWN OF KINDRED COMMUNITY DEVELOPMENT DISTRICT II:

SECTION 1. BENEFIT & ALLOCATION FINDINGS. The provision of the services, facilities, and operations as described in **Exhibit “A”** confers a special and peculiar benefit to the lands within the District, which benefit exceeds or equals the cost of the assessments. The allocation of the assessments to the specially benefitted lands is shown in **Exhibits “A” and “B,”** and is hereby found to be fair and reasonable.

SECTION 2. ASSESSMENT IMPOSITION. Pursuant to Chapters 170, 190 and 197, *Florida Statutes*, and using the procedures authorized by Florida law for the levy and collection of special assessments, a special assessment for operation and maintenance is hereby imposed and levied on benefitted lands within the District and in accordance with **Exhibits “A” and “B.”** The lien of the special assessments for operations and maintenance imposed and levied by this Resolution shall be effective upon passage of this Resolution. Moreover, pursuant to Section 197.3632(4), *Florida Statutes*, the lien amount shall serve as the “maximum rate” authorized by law for operation and maintenance assessments.

SECTION 3. COLLECTION AND ENFORCEMENT; PENALTIES; INTEREST.

A. Tax Roll Assessments. The operations and maintenance special assessments and previously levied debt service special assessments imposed on the Tax Roll Property shall be collected at the same time and in the same manner as County taxes in accordance with the Uniform Method, as set forth in **Exhibits “A” and “B.”**

B. Direct Bill Assessments. The operations and maintenance special assessments and previously levied debt service special assessments imposed on the Direct Collect Property shall be collected directly by the District in accordance with Florida law, as set forth in **Exhibits “A” and “B.”** Assessments directly collected by the District are due in full on November 1, 2021; provided, however, that, to the extent permitted by law, may be paid in several partial, deferred payments and according to the following schedule: **(i)** for the debt service special assessments: 50% due no later than October 1, 2021, 25% due no later than February 1, 2021, and 25% due no later than May 1, 2021; and **(ii)** for the operations and maintenance special assessments: 25% due on October 1, 2020, 25% due on February 1, 2021, 25% due on May 1, 2021 and 25% due on August 1, 2021. In the event that an assessment payment is not made in accordance with the schedule stated above, the whole assessment – including any remaining partial, deferred payments for Fiscal Year 2021/2022, shall immediately become due and payable; shall accrue interest, penalties in the amount of one percent

(1%) per month, and all costs of collection and enforcement; and shall either be enforced pursuant to a foreclosure action, or, at the District's sole discretion, collected pursuant to the Uniform Method on a future tax bill, which amount may include penalties, interest, and costs of collection and enforcement. Any prejudgment interest on delinquent assessments shall accrue at the rate of any bonds secured by the assessments, or at the statutory prejudgment interest rate, as applicable. In the event an assessment subject to direct collection by the District shall be delinquent, the District Manager and District Counsel, without further authorization by the Board, may initiate foreclosure proceedings pursuant to Chapter 170, *Florida Statutes*, or other applicable law to collect and enforce the whole assessment, as set forth herein.

C. Future Collection Methods. The decision to collect special assessments by any particular method – e.g., on the tax roll or by direct bill – does not mean that such method will be used to collect special assessments in future years, and the District reserves the right in its sole discretion to select collection methods in any given year, regardless of past practices.

SECTION 4. ASSESSMENT ROLL. The Assessment Roll, attached to this Resolution as **Exhibit "B,"** is hereby certified for collection. That portion of the Assessment Roll which includes the Tax Roll Property is hereby certified to the County Tax Collector and shall be collected by the County Tax Collector in the same manner and time as County taxes. The proceeds therefrom shall be paid to the District.

SECTION 5. ASSESSMENT ROLL AMENDMENT. The District Manager shall keep apprised of all updates made to the County property roll by the Property Appraiser after the date of this Resolution, and shall amend the Assessment Roll in accordance with any such updates, for such time as authorized by Florida law, to the County property roll. After any amendment of the Assessment Roll, the District Manager shall file the updates in the District records.

SECTION 6. SEVERABILITY. The invalidity or unenforceability of any one or more provisions of this Resolution shall not affect the validity or enforceability of the remaining portions of this Resolution, or any part thereof.

SECTION 7. EFFECTIVE DATE. This Resolution shall take effect upon the passage and adoption of this Resolution by the Board.

PASSED AND ADOPTED this 10th day of August 2021.

ATTEST:

**TOWN OF KINDRED COMMUNITY
DEVELOPMENT DISTRICT II**

Secretary / Assistant Secretary

Chairperson, Board of Supervisors

Exhibit A: Budget
Exhibit B: Assessment Roll (Uniform Method)
Assessment Roll (Direct Collect)

EXHIBIT A

EXHIBIT B

Assessment Roll

Assessment roll is maintained in the District's official records and is available upon request. Certain exempt information may be redacted prior to release in compliance with Chapter 119, Florida Statutes

Tab 5

RESOLUTION 2021-09

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE TOWN OF KINDRED COMMUNITY DEVELOPMENT DISTRICT II DESIGNATING DATES, TIME AND LOCATION FOR REGULAR MEETINGS OF THE BOARD OF SUPERVISORS OF THE DISTRICT, AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, Town of Kindred Community Development District II (hereinafter the "District") is a local unit of special-purpose government created and existing pursuant to Chapter 190, Florida Statutes, being situated entirely within Osceola County, Florida; and

WHEREAS, the District's Board of Supervisors (hereinafter the "Board") is statutorily authorized to exercise the powers granted to the District; and

WHEREAS, all meetings of the Board shall be open to the public and governed by the provisions of Chapter 286, Florida Statutes; and

WHEREAS, the Board is statutorily required to file annually, with the local governing authority and the Florida Department of Economic Opportunity, a schedule of its regular meetings.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE TOWN OF KINDRED COMMUNITY DEVELOPMENT DISTRICT II:

Section 1. Regular meetings of the Board of Supervisors of the District shall be held as provided on the schedule attached as Exhibit "A".

Section 2. In accordance with Section 189.015(1), Florida Statutes, the District's Secretary is hereby directed to file annually, with Osceola County, a schedule of the District's regular meetings.

Section 3. This Resolution shall become effective immediately upon its adoption.

PASSED AND ADOPTED THIS 10th DAY OF AUGUST 2021.

**TOWN OF KINDRED
COMMUNITY DEVELOPMENT
DISTRICT II**

CHAIRMAN

ATTEST:

ASSISTANT SECRETARY

EXHIBIT "A"

**TOWN OF KINDRED COMMUNITY DEVELOPMENT DISTRICT II
BOARD OF SUPERVISORS MEETING DATES
FOR FISCAL YEAR 2021/2022**

October	12, 2021
November	09, 2021
December	14, 2021
February	08, 2022
April	12, 2022
June	14, 2022
August	09, 2022

All meetings will convene at 10:30 a.m., at the Osceola County Courthouse, located at 1 Courthouse Square, Suite 4700, (BCC Shared Conference Room #4702) Kissimmee, Florida 34741.

EXHIBIT "A"

**TOWN OF KINDRED COMMUNITY DEVELOPMENT DISTRICT
BOARD OF SUPERVISORS MEETING DATES
FOR FISCAL YEAR 2021/2022**

October	14, 2021
November	11, 2021
December	16, 2021
February	10, 2022
April	14, 2022
June	16, 2022
August	11, 2022

All meetings will convene at 10:30 a.m., at the Osceola County Courthouse, located at 1 Courthouse Square, Suite 4700, (BCC Shared Conference Room #4702) Kissimmee, Florida 34741.

Tab 6

**Town of Kindred Community Development
District II**

ANNUAL FINANCIAL REPORT

September 30, 2020

Town of Kindred Community Development District II

ANNUAL FINANCIAL REPORT

September 30, 2020

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Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

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Fort Pierce, Florida 34950

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REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors
Town of Kindred Community Development District II
Osceola County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Town of Kindred Community Development District II as of and for the eight months ended September 30, 2020, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Fort Pierce / Stuart

- 1 -

To the Board of Supervisors
Town of Kindred Community Development District II

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, and each major fund of Town of Kindred Community Development District II as of September 30, 2020, and the respective changes in financial position and the budgetary comparison for the General Fund for the eight months then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Governmental Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the *Governmental Accounting Standards Board* who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 28, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts.

The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Kindred Community Development District II's internal control over financial reporting and compliance.



Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

June 28, 2021

**Town of Kindred Community Development District II
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the 8 Months Ended September 30, 2020**

Management's discussion and analysis of Town of Kindred Community Development District II's (the "District") financial performance provides an objective and easily readable analysis of the District's financial activities. The analysis provides summary financial information for the District and should be read in conjunction with the District's financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District's basic financial statements comprise three components; 1) *Government-wide financial statements*, 2) *Fund financial statements*, and 3) *Notes to financial statements*. The *Government-wide financial statements* present an overall picture of the District's financial position and results of operations. The *Fund financial statements* present financial information for the District's major funds. The *Notes to financial statements* provide additional information concerning the District's finances.

The *Government-wide financial statements* are the **statement of net position** and the **statement of activities**. These statements use accounting methods similar to those used by private-sector companies. Emphasis is placed on the net position of governmental activities and the change in net position. Governmental activities are primarily supported by special assessments.

The **statement of net position** presents information on all assets and liabilities of the District, with the difference between assets and liabilities reported as net position. Net position is reported in three categories: 1) net investment in capital assets, 2) restricted, and 3) unrestricted. Assets, liabilities, and net position are reported for all Governmental activities.

The **statement of activities** presents information on all revenues and expenses of the District and the change in net position. Expenses are reported by major function and program revenues relating to those functions are reported, providing the net cost of all functions provided by the District. To assist in understanding the District's operations, expenses have been reported as governmental activities. Governmental activities financed by the District include general government, physical environment, and debt service.

Fund financial statements present financial information for governmental funds. These statements provide financial information for the major funds of the District. Governmental fund financial statements provide information on the current assets and liabilities of the funds, changes in current financial resources (revenues and expenditures), and current available resources.

**Town of Kindred Community Development District II
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the 8 Months Ended September 30, 2020**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Fund financial statements include a **balance sheet** and a **statement of revenues, expenditures and changes in fund balances** for all governmental funds. A **statement of revenues, expenditures, and changes in fund balances – budget and actual** is provided for the District's General Fund. *Fund financial statements* provide more detailed information about the District's activities. Individual funds are established by the District to track revenues that are restricted to certain uses or to comply with legal requirements.

The *government-wide financial statements* and the *fund financial statements* provide different pictures of the District. The *government-wide financial statements* provide an overall picture of the District's financial standing. These statements are comparable to private-sector companies and give a good understanding of the District's overall financial health and how the District paid for the various activities, or functions, provided by the District. All assets of the District, including capital assets are reported in the **statement of net position**. All liabilities, including principal outstanding on bonds are included. The **statement of activities** includes depreciation on all long-lived assets of the District, but transactions between the different functions of the District have been eliminated in order to avoid "doubling up" the revenues and expenses. The *fund financial statements* provide a picture of the major funds of the District. In the case of governmental activities, outlays for long lived assets are reported as expenditures and long-term liabilities, such as general obligation bonds, are not included in the fund financial statements. To provide a link from the *fund financial statements* to the *government-wide financial statements*, reconciliations are provided from the *fund financial statements* to the *government-wide financial statements*.

Notes to financial statements provide additional detail concerning the financial activities and financial balances of the District. Additional information about the accounting practices of the District, investments of the District, capital assets and long-term debt are some of the items included in the *notes to financial statements*.

Financial Highlights

The following are the highlights of financial activity for the 8 months ended September 30, 2020.

- ◆ The District's total assets exceeded total liabilities by \$2,012,755 (net position). Net investment in capital assets for the District was \$2,022,364. Unrestricted net position was \$(9,609).
- ◆ Revenues from governmental activities totaled \$2,472,780 and expenses from governmental activities totaled \$460,025.

**Town of Kindred Community Development District II
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the 8 Months Ended September 30, 2020**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District

The following schedule provides a summary of the assets, liabilities and net position of the District and is presented by category for comparison purposes.

	Governmental Activities <u>2020</u>
Current assets	\$ 105,750
Restricted assets	67,385
Capital assets	<u>4,439,533</u>
Total Assets	<u>4,612,668</u>
Current liabilities	165,359
Non-current liabilities	<u>2,434,554</u>
Total Liabilities	<u>2,599,913</u>
Net Position	
Net investment in capital assets	2,022,364
Unrestricted	(9,609)
Total Net Position	<u>\$ 2,012,755</u>

This is the initial period of the District.

**Town of Kindred Community Development District II
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the 8 Months Ended September 30, 2020**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District (Continued)

The following schedule provides a summary of the changes in net position of the District and is presented by category for comparison purposes.

Change in Net Position

	Governmental Activities 2020
Program Revenues	
Charges for services	\$ 104,675
Capital grants and contributions	2,368,105
Total Revenues	2,472,780
Expenses	
General government	72,943
Physical environment	129,523
Interest and other charges	257,559
Total Expenses	460,025
Change in Net Position	2,012,755
Net Position - Beginning of Period	-
Net Position - End of Period	\$ 2,012,755

This is the initial period of the District.

**Town of Kindred Community Development District II
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the 8 Months Ended September 30, 2020**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Capital Assets Activity

The following schedule provides a summary of the District's capital assets as of September 30, 2020:

	Governmental Activities
	2020
Infrastructure	\$ 4,537,324
Less: accumulated depreciation	(97,791)
Governmental Activities Capital Assets	\$ 4,439,533

During the year, depreciation was \$97,791 and additions to infrastructure was \$4,537,324.

General Fund Budgetary Highlights

The budgeted expenditures exceeded actual expenditures in the current year because landscaping and utility expenditures were less than anticipated.

There were no budget amendments in the current year.

Debt Management

Governmental Activities debt includes the following:

In August 2020, the District issued \$2,500,000 Series 2020 Special Assessment Revenue Bonds. These bonds were issued to finance a portion of the cost of acquisition, construction, installation and equipping of a portion of the 2020 Project. As of September 30, 2020, the balance outstanding was \$2,500,000.

**Town of Kindred Community Development District II
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the 8 Months Ended September 30, 2020**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Economic Factors and Next Year's Budget

Town of Kindred Community Development District II does not expect any economic factors to have any significant effect on the financial position or results of operations of the District in fiscal year 2021.

Request for Information

The financial report is designed to provide a general overview of Town of Kindred Community Development District II's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Town of Kindred Community Development District II's Finance Department, c/o Rizzetta & Company, Inc., at 3434 Colwell Ave, Suite 200, Tampa, Florida 33614.

Town of Kindred Community Development District II
STATEMENT OF NET POSITION
September 30, 2020

	Governmental Activities
ASSETS	
Current Assets	
Cash	\$ 434
Due from developer	104,675
Prepaid expenses	641
Total Current Assets	105,750
Non-Current Assets	
Restricted Assets	
Investments	67,385
Capital Assets, Being Depreciated	
Infrastructure	4,537,324
Less: accumulated depreciation	(97,791)
Total Non-Current Assets	4,506,918
Total Assets	4,612,668
 LIABILITIES	
Current Liabilities	
Accounts payable and accrued expenses	89,090
Due to other governments	16,660
Bonds payable	50,000
Accrued interest	9,609
Total Current Liabilities	165,359
Non-Current Liabilities	
Bonds payable, net	2,434,554
Total Liabilities	2,599,913
 NET POSITION	
Net investment in capital assets	2,022,364
Unrestricted	(9,609)
Total Net Position	\$ 2,012,755

See accompanying notes to financial statements.

Town of Kindred Community Development District II
STATEMENT OF ACTIVITIES
For the 8 Months Ended September 30, 2020

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities				
General government	\$ (72,943)	\$ 72,943	\$ -	\$ -
Physical environment	(129,523)	31,732	2,368,105	2,270,314
Interest and other charges	(257,559)	-	-	(257,559)
Total Governmental Activities	<u>\$ (460,025)</u>	<u>\$ 104,675</u>	<u>\$ 2,368,105</u>	<u>2,012,755</u>
				2,012,755
				-
				<u>\$ 2,012,755</u>

See accompanying notes to financial statements.

Town of Kindred Community Development District II
BALANCE SHEET -
GOVERNMENTAL FUNDS
September 30, 2020

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash	\$ 434	\$ -	\$ -	\$ 434
Due from Developer	104,675	-	-	104,675
Prepaid expenses	641	-	-	641
Restricted assets				
Investments, at fair value	-	65,335	2,050	67,385
Total Assets	\$ 105,750	\$ 65,335	\$ 2,050	\$ 173,135
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued expenses	\$ 89,090	\$ -	\$ -	\$ 89,090
Due to other governments	16,660	-	-	16,660
Total Liabilities	105,750	-	-	105,750
 DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	4,675	-	-	4,675
 FUND BALANCES				
Nonspendable - prepaid expenses	641	-	-	641
Restricted:				
Debt service	-	65,335	-	65,335
Capital projects	-	-	2,050	2,050
Unassigned	(5,316)	-	-	(5,316)
Total Fund Balances	(4,675)	65,335	2,050	62,710
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 105,750	\$ 65,335	\$ 2,050	\$ 173,135

See accompanying notes to financial statements.

**Town of Kindred Community Development District II
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2020**

Total Governmental Fund Balances	\$	62,710
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets, infrastructure, \$4,537,324, net of accumulated depreciation, \$(97,791), used in governmental activities are not current financial resources, and therefore, are not reported at the fund level.		4,439,533
Long-term liabilities, bonds payable, \$(2,500,000), net of bond discount \$15,446, are not due and payable in the current period, and therefore, are not reported at the fund level.		(2,484,554)
Unavailable revenues are recognized as deferred inflows at the fund level, but this amount is recognized as revenues at the government-wide level.		4,675
Accrued interest expense for long-term debt is not a current financial use, and therefore, is not reported at the fund level.		<u>(9,609)</u>
Net Position of Governmental Activities	\$	<u><u>2,012,755</u></u>

See accompanying notes to financial statements.

Town of Kindred Community Development District II
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
For the 8 Months Ended September 30, 2020

	General	Debt Service	Capital Projects	Totals Governmental Funds
Revenues				
Developer contributions	\$ 100,000	\$ -	\$ -	\$ 100,000
Expenditures				
Current				
General government	72,943	-	-	72,943
Physical environment	31,732	-	-	31,732
Capital outlay	-	-	2,169,219	2,169,219
Debt service				
Other debt service costs	-	-	247,950	247,950
Total Expenditures	104,675	-	2,417,169	2,521,844
Revenues over/(under) expenditures	(4,675)	-	(2,417,169)	(2,421,844)
Other Financing Sources/(Uses)				
Issuance of long-term debt	-	80,781	2,419,219	2,500,000
Bond discount	-	(15,446)	-	(15,446)
Total Other Financing Sources/(Uses)	-	65,335	2,419,219	2,484,554
Net Change in Fund Balances	(4,675)	65,335	2,050	62,710
Fund Balances - Beginning of Period	-	-	-	-
Fund Balances - End of Period	\$ (4,675)	\$ 65,335	\$ 2,050	\$ 62,710

See accompanying notes to financial statements.

**Town of Kindred Community Development District II
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the 8 Months Ended September 30, 2020**

Net Change in Fund Balances - Total Governmental Funds	\$	62,710
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation. This is the amount that capital outlay, \$2,169,219, exceeded depreciation, \$(97,791), in the current period.		2,071,428
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The contribution of capital assets does not affect current financial resources and therefore is not reflected at the fund level. This is the amount of capital assets contributed in the current period.		2,368,105
--	--	-----------

The issuance of new debt, (\$2,500,000) net of bond discount, \$(15,446) are recognized as other financing sources/(uses) at the fund level, but increase long-term liabilities at the government-wide level.		(2,484,554)
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At the government-wide level, interest is accrued on outstanding bonds; whereas at the fund level, interest expenditures are reported when due. This is the change in accrued interest in the current period.		(9,609)
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At the fund level, revenues are recognized when they become available, however, revenues are recognized when they are earned at the government-wide level. This is the amount of the change in earned revenue that was not available.		4,675
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Change in Net Position of Governmental Activities	\$	2,012,755
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See accompanying notes to financial statements.

Town of Kindred Community Development District II
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
For the 8 Months Ended September 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Developer contributions	\$ 633,372	\$ 633,372	\$ 100,000	\$ (533,372)
Expenditures				
Current				
General government	98,500	98,500	72,943	25,557
Physical environment	416,466	416,466	31,732	384,734
Culture/recreation	118,406	118,406	-	118,406
Total Expenditures	<u>633,372</u>	<u>633,372</u>	<u>104,675</u>	<u>528,697</u>
Net Change in Fund Balances	-	-	(4,675)	(4,675)
Fund Balances - Beginning of Period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - End of Period	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (4,675)</u></u>	<u><u>\$ (4,675)</u></u>

See accompanying notes to financial statements.

Town of Kindred Community Development District II
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District's more significant accounting policies are described below.

1. Reporting Entity

The District was established on January 13, 2020 pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), by Osceola County Ordinance No 2020 - 16 as a Community Development District. The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of the infrastructure necessary for community development within its jurisdiction. The District is authorized to issue bonds for the purpose, among others, of financing, funding, planning, establishing, acquiring, constructing district roads, landscaping, and other basic infrastructure projects within or outside the boundaries of the Town of Kindred Community Development District II. The District is governed by a five-member Board of Supervisors. The District operates within the criteria established by Chapter 190, Florida Statutes.

As required by GAAP, these financial statements present the Town of Kindred Community Development District II (the primary government) as a stand-alone government. The reporting entity for the District includes all functions of government in which the District's Board exercises oversight responsibility including, but not limited to, financial interdependency, selection of governing authority, designation of management, significant ability to influence operations and accountability for fiscal matters.

Based upon the application of the above-mentioned criteria as set forth by the Governmental Accounting Standards Board, the District has identified no component units.

2. Measurement Focus and Basis of Accounting

The basic financial statements of the District are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to financial statements

Town of Kindred Community Development District II
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

a. Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Government-wide financial statements report all non-fiduciary information about the reporting government as a whole. These statements include all the governmental activities of the primary government. The effect of interfund activity has been removed from these statements.

Governmental activities are supported by developer contributions. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets, rather than reported as an expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as an other financing source.

Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

b. Fund Financial Statements

The underlying accounting system of the District is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental funds are presented after the government-wide financial statements. These statements display information about major funds individually.

Town of Kindred Community Development District II
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds

The District classifies fund balance according to Governmental Accounting Standards Board Statement 54 – Fund Balance Reporting and Governmental Fund Type Definitions. The Statement requires the fund balance for governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The District has various policies governing the fund balance classifications.

Nonspendable Fund Balance – This classification consists of amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

Restricted Fund Balance – This classification includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Assigned Fund Balance – This classification consists of the Board of Supervisors' intent to be used for specific purposes but are neither restricted nor committed. The assigned fund balances can also be assigned by the District's management company.

Unassigned Fund Balance – This classification is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. Unassigned fund balance is considered to be utilized first when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Fund Balance Spending Hierarchy – For all governmental funds except special revenue funds, when restricted, committed, assigned, and unassigned fund balances are combined in a fund, qualified expenditures are paid first from restricted or committed fund balance, as appropriate, then assigned and finally unassigned fund balances.

Town of Kindred Community Development District II
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collected within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Interest associated with the current fiscal period is considered to be an accrual item and so has been recognized as revenue of the current fiscal period.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of “available spendable resources”.

Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources are expended, rather than as fund assets. The proceeds of long-term debt are recorded as an other financing source rather than as a fund liability.

Debt service expenditures are recorded only when payment is due.

3. Basis of Presentation

a. Governmental Major Funds

General Fund – The General Fund is the District’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Town of Kindred Community Development District II
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Basis of Presentation (Continued)

a. Governmental Major Funds (Continued)

Debt Service Fund – Accounts for debt service requirements to retire the special assessment revenue bonds which were used to finance the construction of District infrastructure improvements.

Capital Projects Fund – The Capital Projects Funds account for construction of infrastructure improvements within the boundaries of the district.

b. Non-current Governmental Assets/Liabilities

GASB Statement 34 requires that non-current governmental assets, such as infrastructure and improvements, and non-current governmental liabilities, such as general obligation bonds and developer obligations be reported in the governmental activities column in the government-wide Statement of Net Position.

4. Assets, Liabilities, and Net Position or Equity

a. Cash and Investments

Florida Statutes require state and local governmental units to deposit monies with financial institutions classified as "Qualified Public Depositories," a multiple financial institution pool whereby groups of securities pledged by the various financial institutions provide common collateral from their deposits of public funds. This pool is provided as additional insurance to the federal depository insurance and allows for additional assessments against the member institutions, providing full insurance for public deposits.

The District is authorized to invest in those financial instruments as established by Section 218.415, Florida Statutes. The authorized investments consist of:

1. Direct obligations of the United States Treasury;
2. The Local Government Surplus Funds Trust or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperative Act of 1969;
3. Interest-bearing time deposits or savings accounts in authorized qualified public depositories;
4. Securities and Exchange Commission, registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

Town of Kindred Community Development District II
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Assets, Liabilities, and Net Position or Equity (Continued)

a. Cash and Investments (Continued)

Cash equivalents include time deposits and all highly liquid debt instruments with original maturities of three months or less and held in a qualified public depository as defined by Section 280.02, Florida Statutes.

b. Restricted Net Position

Certain net position of the District is classified as restricted on the statement of net position because their use is limited either by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors. In a fund with both restricted and unrestricted net position, qualified expenses are considered to be paid first from restricted net position and then from unrestricted net position.

c. Capital Assets

Capital assets, which includes infrastructure, are reported in the governmental activities column.

The District defines capital assets as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of two years. The valuation basis for all assets is historical cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation of capital assets is computed and recorded by utilizing the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows:

Infrastructure	15 years
----------------	----------

d. Unamortized Bond Discounts

Bond discounts associated with the issuance of revenue bonds are amortized according to the straight-line method of accounting. For financial reporting, unamortized bond discounts are netted against the applicable long-term debt.

Town of Kindred Community Development District II
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Assets, Liabilities, and Net Position or Equity (Continued)

e. Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future reporting period(s) and so will not be recognized as an inflow of resources (revenue) until then. The District only has one item that qualifies for reporting in the category. Unavailable revenues are reported only in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that amounts become available.

f. Budgets

Budgets are prepared and adopted after public hearings for the governmental funds, pursuant to Chapter 190, Florida Statutes. The District utilizes the same basis of accounting for budgets as it does for revenues and expenditures in its various funds. The legal level of budgetary control is at the fund level. All budgeted appropriations lapse at year end. Formal budgets are adopted for the general and debt service funds. As a result, deficits in the budget columns of the accompanying financial statements may occur.

NOTE B – CASH AND INVESTMENTS

All deposits are held in qualified public depositories and are included on the accompanying balance sheet as cash and investments.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk; however, they follow the provisions of Chapter 280, Florida Statutes regarding deposits and investments. As of September 30, 2020, the District's bank balance and carrying value were \$434. Exposure to custodial credit risk was as follows. The District maintains all deposits in a qualified public depository in accordance with the provisions of Chapter 280, Florida Statutes, which means that all deposits are fully insured by Federal Depositors Insurance or collateralized under Chapter 280, Florida Statutes.

Town of Kindred Community Development District II
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE B – CASH AND INVESTMENTS (CONTINUED)

Investments

As of September 30, 2020, the District had the following investments and maturities:

Investment	Maturities	Fair Value
First American Treasury Obligations	46 Days*	\$ 67,385

*Maturity is a weighted average maturity.

The District categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The District uses a market approach in measuring fair value that uses prices and other relevant information generated by market transactions involving identical or similar assets, liabilities, or groups of assets and liabilities.

Assets or liabilities are classified into one of three levels. Level 1 is the most realizable and is based on quoted price for identical assets, or liabilities, in an active market. Level 2 uses significant other observable inputs when obtained quoted prices for identical or similar assets, or liabilities, in markets that are not active. Level 3 is the least reliable and uses significant unobservable inputs that uses the best information available under the circumstances which includes the District's own data in measuring unobservable inputs.

Based on the criteria in the preceding paragraph, the investment listed above is a Level 1 asset.

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The District's investments in treasury funds, money markets and government loans are limited by state statutory requirements and bond compliance. The District has no investment policy that would further limit its investment choices. As of September 30, 2020, the District's investments in First American Treasury Obligations was rated AAAM by Standard & Poor's.

Concentration of Credit Risk

The District places no limit on the amount it may invest in any one fund. The investments in First American Treasury Obligations represent 100% of District's total investments.

The types of deposits and investments and their level of risk exposure as of September 30, 2020 were typical of these items during the fiscal year then ended. The District considers any decline in fair value for certain investments to be temporary.

Town of Kindred Community Development District II
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE C – CAPITAL ASSETS

Capital asset activity for the period ended September 30, 2020 was as follows:

	Balance January 13, 2020	Additions	Disposals	Balance September 30, 2020
<u>Governmental Activities:</u>				
Capital assets, being depreciated:				
Infrastructure	\$ -	\$ 4,537,324	\$ -	\$ 4,537,324
Less: accumulated depreciation	-	(97,791)	-	(97,791)
Total Capital Assets, being depreciated	<u>\$ -</u>	<u>\$ 4,439,533</u>	<u>\$ -</u>	<u>\$ 4,439,533</u>

NOTE D – LONG-TERM DEBT

The following is a summary of debt activity for the District for the period ended September 30, 2020:

Bonds payable at January 13, 2020	\$ -
Issuance of long-term debt	2,500,000
Bonds payable at September 30, 2020	<u>2,500,000</u>
Bond discount, net	(15,446)
Bonds Payable, Net at September 30, 2020	<u>\$ 2,484,554</u>

District debt is comprised of the following at September 30, 2020:

Special Assessment Revenue Bonds

\$2,500,000 Series 2020 Special Assessment Revenue Bonds maturing through 2050, at various interest rates between 2.625% and 3.75%, payable May 1 and November 1. Current portion is \$50,000.

\$ 2,500,000

Town of Kindred Community Development District II
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE D – LONG-TERM DEBT (CONTINUED)

The annual requirements to amortize the principal and interest of bonded debt outstanding as of September 30, 2020 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 50,000	\$ 60,056	\$ 110,056
2022	50,000	85,169	135,169
2023	55,000	83,856	138,856
2024	55,000	82,413	137,413
2025	55,000	80,969	135,969
2026-2030	310,000	379,475	689,475
2031-2035	355,000	327,150	682,150
2036-2040	430,000	259,775	689,775
2041-2045	515,000	176,438	691,438
2046-2050	625,000	72,187	697,187
Totals	<u>\$ 2,500,000</u>	<u>\$ 1,607,488</u>	<u>\$ 4,107,488</u>

Summary of Significant Bonds Resolution Terms and Covenants

Special Assessment Revenue Bonds, Series 2020

Significant Bond Provisions

The Series 2020 Bonds are subject to redemption at the option of the District prior to their maturity, in whole or in part, at any time after May 1, 2030 a price equal to the par amount of the Series 2020 Bonds thereof, together with accrued interest to the date of redemption. The Series 2020 are subject to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Trust Indenture.

The Trust Indenture established certain amounts be maintained in a reserve account. In addition, the Trust Indenture has certain restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements.

Town of Kindred Community Development District II
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE D – LONG-TERM DEBT (CONTINUED)

Depository Funds

The bond resolution establishes certain funds and determines the order in which revenues are to be deposited into these funds. A description of the significant funds, including their purposes, is as follows:

Reserve Funds – The Series 2020 Reserve Account was funded from the proceeds of the Series 2020 Bonds in an amount equal to 35 percent of the maximum annual debt service for the Series 2020 Bonds. Monies held in the reserve accounts will be used only for the purposes established in the Trust Indenture.

The following is a schedule of required reserve balances as of September 30, 2020:

	Reserve Balance	Reserve Requirement
Special Assessment Revenue Bonds, Series 2020	\$ 48,519	\$ 48,519

NOTE E – ECONOMIC DEPENDENCY

A significant portion of the District's activity is dependent upon continued involvement of the Developer, the loss which could have a material adverse effect on the District's operations. All voting members of the Board of Supervisors are employed by the Developer or a related entity. The District received \$104,675 in operating contributions and \$2,368,105 in capital contributions from the Developer for the period ended September 30, 2020.

NOTE F – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. There were no claims or settled claims from these risks that exceeded commercial coverage since inception.



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Supervisors
Town of Kindred Community Development District II
Osceola County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Town of Kindred Community Development District II, as of and for the period ended September 30, 2020, and the related notes to the financial statements, and have issued our report thereon dated June 28, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Town of Kindred Community Development District II's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Town of Kindred Community Development District II's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Kindred Community Development District II's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Board of Supervisors
Town of Kindred Community Development District II

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Kindred Community Development District II's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

June 28, 2021



Berger, Toombs, Elam, Gaines & Frank

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MANAGEMENT LETTER

To the Board of Supervisors
Town of Kindred Community Development District II
Osceola County, Florida

Report on the Financial Statements

We have audited the financial statements of the Town of Kindred Community Development District II as of and for the period ended September 30, 2020, and have issued our report thereon dated June 28, 2021.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and our Independent Auditor's Report on an examination conducted in accordance with *AICPA Professionals Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 28, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. This is the initial period of operations for the District.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not Town of Kindred Community Development District II has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that Town of Kindred Community Development District II did not meet any of the conditions described in Section 218.503(1) Florida Statutes.

Fort Pierce / Stuart

To the Board of Supervisors
Town of Kindred Community Development District II

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for Town of Kindred Community Development District II. It is management's responsibility to monitor the Town of Kindred Community Development District II's financial condition; our financial condition assessment was based in part on the representations made by management and the review of the financial information provided by the same as of September 30, 2020.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Supervisors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Berger Toombs Elam
Gaines + Frank*

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

June 28, 2021



**Berger, Toombs, Elam,
Gaines & Frank**

Certified Public Accountants PL

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**INDEPENDENT ACCOUNTANTS' REPORT/COMPLIANCE WITH
SECTION 218.415, FLORIDA STATUTES**

To the Board of Supervisors
Town of Kindred Community Development District II
Osceola County, Florida

We have examined Town of Kindred Community Development District II's compliance with Section 218.415, Florida Statutes during the period ended September 30, 2020. Management is responsible for Town of Kindred Community Development District II's compliance with those requirements. Our responsibility is to express an opinion on Town of Kindred Community Development District II's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Town of Kindred Community Development District II's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Town of Kindred Community Development District II's compliance with the specified requirements.

In our opinion, Town of Kindred Community Development District II complied, in all material respects, with the aforementioned requirements during the period ended September 30, 2020.

*Berger Toombs Elam
Gaines + Frank*

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

June 28, 2021

Tab 7

RESOLUTION 2021-10

A RESOLUTION OF THE BOARD OF SUPERVISORS OF TOWN OF KINDRED COMMUNITY DEVELOPMENT DISTRICT II SUPPLEMENTING ITS RESOLUTION 2020-31 BY AUTHORIZING THE ISSUANCE OF ITS TOWN OF KINDRED COMMUNITY DEVELOPMENT DISTRICT II SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021 IN A PRINCIPAL AMOUNT OF NOT EXCEEDING \$8 MILLION FOR THE PRINCIPAL PURPOSE OF ACQUIRING AND CONSTRUCTING ASSESSABLE IMPROVEMENTS; DELEGATING TO THE CHAIRMAN OR VICE CHAIRMAN OF THE BOARD OF SUPERVISORS OF THE DISTRICT, SUBJECT TO COMPLIANCE WITH THE APPLICABLE PROVISIONS HEREOF, THE AUTHORITY TO AWARD THE SALE OF SUCH SERIES 2021 BONDS TO MBS CAPITAL MARKETS, LLC, BY EXECUTING AND DELIVERING TO SUCH UNDERWRITER A BOND PURCHASE AGREEMENT AND APPROVING THE FORM THEREOF; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF THE SECOND SUPPLEMENTAL TRUST INDENTURE; APPOINTING U.S. BANK NATIONAL ASSOCIATION AS THE TRUSTEE, BOND REGISTRAR AND PAYING AGENT FOR SUCH SERIES 2021 BONDS; MAKING CERTAIN FINDINGS; APPROVING FORM OF SAID SERIES 2021 BONDS; APPROVING THE FORM OF THE PRELIMINARY LIMITED OFFERING MEMORANDUM AND AUTHORIZING THE USE BY THE UNDERWRITER OF THE PRELIMINARY LIMITED OFFERING MEMORANDUM AND THE LIMITED OFFERING MEMORANDUM AND THE EXECUTION OF THE LIMITED OFFERING MEMORANDUM; APPROVING THE FORM OF THE CONTINUING DISCLOSURE AGREEMENT AND AUTHORIZING THE EXECUTION THEREOF; AUTHORIZING CERTAIN OFFICIALS OF TOWN OF KINDRED COMMUNITY DEVELOPMENT DISTRICT II AND OTHERS TO TAKE ALL ACTIONS REQUIRED IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF SAID SERIES 2021 BONDS; PROVIDING CERTAIN OTHER DETAILS WITH RESPECT TO SAID SERIES 2021 BONDS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Town of Kindred Community Development District II (the "District") is authorized by Florida Statutes, Chapter 190 (the "Act") and Ordinance No. 2020-16 of Osceola County, Florida, (the "Ordinance"), to issue its bonds for the purpose of acquiring and constructing assessable improvements all as provided in the Act and the Ordinance; and

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

WHEREAS, the District pursuant to its Resolution 200-31 (the "First Resolution") authorized the issuance of its not exceeding \$50,000,000 principal amount of its special assessment revenue bonds (the "Bonds") in separate series for the purposes set forth in said First Resolution and approved the form of the Master Indenture (hereinafter defined) in substantially the form attached to the First Resolution; and

WHEREAS, the Bonds were validated by final judgment of the Circuit Court in and for Osceola County, Florida, and a certificate of no appeal from such final judgment will have been entered prior to the issuance of the Series 2021 Bonds (defined below); and

WHEREAS, pursuant to the Original Resolution as supplemented by Resolution No. 2020-43 adopted on _____, 2020, and the Master Indenture, as supplemented by a First Supplemental Trust Indenture dated August 1, 2021, the District has previously issued its \$2,500,000 Town of Kindred Community Development District II Special Assessment Bonds, Series 2020;

WHEREAS, the District now desires to supplement the First Resolution, to authorize the issuance of and award the sale of its Special Assessment Revenue Bonds, Series 2021 (the "Series 2021 Bonds") in a principal amount not exceeding \$8 Million, to approve the Supplemental Indenture (hereinafter defined) and to provide for various other matters relating to the issuance of the Series 2021 Bonds; and

WHEREAS, the Board of Supervisors of the District (the "Board") has received from MBS Capital Markets, LLC (the "Underwriter") a proposal in the form of a Bond Purchase Agreement (the "Contract") for the purchase of the Series 2021 Bonds and the Board has determined that acceptance of such proposal and the sale of the Series 2021 Bonds to the Underwriter is in the best interest of the District for the reasons hereafter indicated;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF TOWN OF KINDRED COMMUNITY DEVELOPMENT DISTRICT II, as follows:

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

SECTION 2. Authorization. There is hereby authorized to be issued the Series 2021 Bonds in a principal amount not exceeding \$8 Million. The Series 2021 Bonds shall be issued under and secured by that Master Trust Indenture in substantially the form approved by the First Resolution (the "Master Indenture") as supplemented by that Second Supplemental Trust Indenture (the "Supplemental Indenture") both by and between the District and U.S. Bank National Association, as trustee (the "Trustee") (the Master Indenture and the Supplemental Indenture are referred to collectively as the "Indenture"). The proceeds of the Series 2021 Bonds shall be used for the purposes set forth in the Supplemental Indenture and the Limited Offering Memorandum (hereinafter defined).

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

SECTION 4. Negotiated Sale. The Board hereby determines that a negotiated sale of the Series 2021 Bonds to the Underwriter is in the best interest of the District because of prevailing

market conditions, because delays caused by soliciting competitive bids could adversely affect the District's ability to issue and deliver the Series 2021 Bonds at presently favorable interest rates, and because the nature of the security for the Series 2021 Bonds and the sources of payment of debt service on the Series 2021 Bonds require the participation of an underwriter in structuring the bond issue.

SECTION 5. Contract Approved. The Board hereby approves the Contract submitted by the Underwriter in substantially the form attached as **Exhibit B** hereto. The Chairman or Vice Chairman of the Board is hereby authorized to execute the Contract and to deliver the Contract to the Underwriter with such changes, amendments, modifications, omissions and additions as may be approved by the executing Chairman or Vice Chairman; provided that (i) the principal amount of the Series 2021 Bonds shall not exceed \$8 Million; (ii) the interest rate on none of the Series 2021 Bonds will exceed the maximum interest rate allowed under applicable Florida law without regard to any waiver of such maximum rate; (iii) the Underwriter's discount shall not exceed two percent (1.5%) of the principal amount of the Series 2021 Bonds; (iv) the Series 2021 Bonds shall be subject to optional redemption no later than May 1, 2033 at a Redemption Price not in excess of 100% of the principal amount to be redeemed plus accrued interest to the redemption date; and (v) the final maturity of the Series 2021 Bonds shall be no later than May 1, 2033.

SECTION 6. Preliminary Limited Offering Memorandum and Limited Offering Memorandum. The District hereby approves the Preliminary Limited Offering Memorandum in substantially the form attached hereto as **Exhibit C** (the "Preliminary Limited Offering Memorandum") and authorizes its distribution and use by the Underwriter in connection with the offering for the sale of the Series 2021 Bonds. If between the date hereof and the mailing of the Preliminary Limited Offering Memorandum it is necessary to make insertions, modifications and changes to the Preliminary Limited Offering Memorandum including but not limited to the inclusion of a Supplemental Assessment report and Supplemental Engineer's report as appendices thereto, the Chairman or Vice Chairman is hereby authorized to approve such insertions, changes and modifications, and, the Chairman or Vice Chairman is hereby authorized to deem the Preliminary Limited Offering Memorandum "final" within the meaning of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") under the Securities Exchange Act of 1934, in the form as mailed and in furtherance thereof to execute a certificate evidencing same. The preparation of a final Limited Offering Memorandum is hereby approved and the Chairman or Vice Chairman is hereby authorized to execute such final Limited Offering Memorandum to be dated the date of the award of the Series 2021 Bonds and, upon such award, to deliver the same to the Underwriter for use by it in connection with the sale and distribution of the Series 2021 Bonds. The Limited Offering Memorandum shall be substantially in the form of the final Preliminary Limited Offering Memorandum, with such changes as shall be approved by the Chairman or Vice Chairman as necessary to conform to the details of the Series 2021 Bonds and such other insertions, modifications and changes as may be approved by the Chairman or Vice Chairman. The execution and delivery of the Limited Offering Memorandum by the Chairman or Vice Chairman shall constitute evidence of the approval thereof. The District hereby authorizes the use of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and the information contained therein in connection with the offering and sale of the Series 2021 Bonds.

SECTION 7. Form of Series 2021 Bonds. The Series 2021 Bonds shall be in substantially the form as set forth in the exhibit to the Supplemental Indenture, with such additions, deletions and other changes thereto as the officials of the Board executing the Series 2021 Bonds shall approve, such approval to be conclusively evidenced by the execution of the Series 2021

Bonds (by manual or facsimile signature) by such officials. The Board hereby authorizes and approves the use of a facsimile of the District seal on the Series 2021 Bonds.

SECTION 8. Continuing Disclosure Agreement. The form and content of the Continuing Disclosure Agreement (the "Disclosure Document") relating to the Series 2021 Bonds attached hereto as **Exhibit D** is hereby approved. The Chairman or Vice Chairman and the Secretary or any Assistant Secretary are hereby authorized to execute on behalf of the District the Disclosure Document in substantially the form attached hereto, with such additions, deletions, and other changes as may be necessitated by applicable law, this Resolution and the Contract as such officers may approve (such approval to be conclusively evidenced by their execution of the Disclosure Document).

SECTION 9. Open Meetings. It is hereby found and determined that all official acts of this Board concerning and relating to the issuance, sale, and delivery of the Series 2021 Bonds, including but not limited to adoption of this Resolution, were taken in open meetings of the members of the Board and all deliberations of the members of the Board that resulted in such official acts were in meetings open to the public, in compliance with all legal requirements including, but not limited to, the requirement of Florida Statutes, Section 286.011.

SECTION 10. Other Actions. The Chairman, the Vice Chairman, the Secretary, any Assistant Secretary and the District Manager of the District, and any authorized designee thereof (collectively, the "District Officers"), Akerman LLP, as Bond Counsel, Hopping Green & Sams, P.A., the District's General Counsel, and any other consultant or experts retained by the District, are hereby authorized and directed to take all actions necessary or desirable in connection with the issuance and delivery of the Series 2021 Bonds and the consummation of all transactions in connection therewith. The District Officers are hereby authorized and directed to execute all necessary or desirable certificates, documents, papers, and agreements necessary to the undertaking and fulfillment of all transactions referred to in or contemplated by the Supplemental Indenture, the Preliminary Limited Offering Memorandum, the Limited Offering Memorandum, this Resolution, the Disclosure Document and the Contract including but not limited to certain agreements and documents with the Developer required by the Contract.

SECTION 11. Other Agreements and Reports. The District hereby authorizes and approves the execution and delivery by the District Officers of such completion agreements, acquisition agreements, assessment true-up agreements, collateral assignments of contract rights and other agreements and instruments, between the District and the owners or developers of lands within the District as shall be necessary or desirable in connection with the issuance and delivery of the Series 2021B Bonds and the consummation of all transactions in connection therewith. Such agreements shall be in substantially the form presented to this meeting or on file with the Secretary, or subsequently prepared and approved by District Counsel, with such changes therein as shall be approved by the District Officers executing or accepting delivery of the same, with such execution or acceptance to constitute conclusive evidence of such officer's approval and the District's approval of any changes therein. The District further hereby authorizes and approves preparation, revision and approval by the District Officers, District Engineer, District Manager and Counsel to the District of such engineering, assessment and other reports and supplements thereto as shall be necessary or desirable in connection with the marketing, sale, issuance and delivery of the Series 2021B Bonds and the consummation of all transactions in connection therewith.

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

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

SECTION 14. Severability. If any section, paragraph, clause or provision of this Resolution shall be held to be invalid or ineffective for any reason, the remainder of this Resolution shall continue in full force and effect, it being expressly hereby found and declared that the remainder of this Resolution would have been adopted despite the invalidity or ineffectiveness of such section, paragraph, clause or provision.

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

ADOPTED this 10th day of August, 2021.

**TOWN OF KINDRED COMMUNITY
DEVELOPMENT DISTRICT II**

By: _____
Chairman

[SEAL]
Attest:

By: _____
Secretary

- Exhibits
A-Second Supplemental Indenture
B-Bond Purchase Agreement
C-Preliminary Limited Offering Memorandum
D-Continuing Disclosure Agreement

Exhibit A

SECOND SUPPLEMENTAL TRUST INDENTURE
BETWEEN
TOWN OF KINDRED COMMUNITY DEVELOPMENT DISTRICT II
AND
U.S. BANK NATIONAL ASSOCIATION,
AS TRUSTEE

Dated as of September 1, 2021

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

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SECOND SUPPLEMENTAL TRUST INDENTURE

THIS **SECOND SUPPLEMENTAL TRUST INDENTURE** (the “Second Supplemental Indenture”) dated as of September 1, 2021, from **TOWN OF KINDRED COMMUNITY DEVELOPMENT DISTRICT II** (the “District”) to **U.S. BANK NATIONAL ASSOCIATION**, as trustee (the “Trustee”), a national banking association authorized to accept and execute trusts of the character herein set out within the State of Florida. All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Master Indenture (hereinafter defined).

WHEREAS, the District has entered into a Master Trust Indenture dated as of September 1, 2021 (the “Master Indenture”), with the Trustee to secure the issuance of its Town of Kindred Community Development District II Special Assessment Revenue Bonds (the “Bonds”), issuable in one or more Series from time to time; and

WHEREAS, pursuant to Resolution 2020-31 adopted by the Board of the District on February 14, 2020 (the “Bond Resolution”), the District has authorized the issuance of its not exceeding \$50,000,000 Town of Kindred Community Development District II Special Assessment Revenue Bonds, in one or more Series, and authorized the execution and delivery of the Master Indenture to secure the issuance of the Bonds; and

WHEREAS, the Bonds were validated by the Circuit Court of the Ninth Judicial Circuit of the State of Florida in and for Osceola County, Florida in a final judgment rendered on May 13, 2020 and the appeal period from such final judgment has expired with no appeal being taken; and

WHEREAS, the District has not previously issued any Bonds; and

WHEREAS, the Board of the District has duly adopted resolutions pursuant to Sections 170.03, 170.07 and 170.08, Florida Statutes, defining assessable property to be benefited by the 2021 Project (hereinafter defined), defining the portion of the Cost of the 2021 Project with respect to which 2021 Special Assessments (hereinafter defined) will be imposed and the manner in which such 2021 Special Assessments shall be levied against such benefited property within the District, directing the preparation of an assessment roll calling for a public hearing of the District at which owners of property to be subject to the 2021 Special Assessments may be heard as to the propriety and advisability of undertaking the 2021 Project, as to the cost thereof, the manner of payment therefor, and the amount to be assessed against each property improved by the 2021 Project, and stating the intent of the District to issue the Series 2021 Bonds (as herein defined) secured by such 2021 Special Assessments to finance a portion of the costs of the acquisition and construction of the 2021 Project and the Board of the District has duly adopted a resolution, following a public hearing conducted in accordance with the Act, to fix and establish the 2021 Special Assessments and the benefited property (collectively the “Assessment Resolution”); and

WHEREAS, pursuant to the Bond Resolution, as supplemented by District Resolution 2020-43 the District has authorized the issuance, sale and delivery of its \$8,000,000 Town of Kindred Community Development District II Special Assessment Revenue Bonds, Series 2021

(the “Series 2021 Bonds”) as a Series of Bonds under the Master Indenture and authorized the execution and delivery of this Second Supplemental Indenture (collectively with the Master Indenture, the “Indenture”) to secure the issuance of the Series 2021 Bonds and to set forth the terms of the Series 2021 Bonds; and

WHEREAS, the District will apply the proceeds of the Series 2021 Bonds to: (i) finance the Cost of acquisition, construction, installation and equipping of a portion of the 2021 Project, which 2021 Project is further described in **Exhibit C** hereto (hereinafter, the “2021 Project”); (ii) pay certain costs associated with the issuance of the Series 2021 Bonds; (iii) to pay a portion of the interest accruing on the Series 2021 Bonds; and (iv) fund the 2021 Reserve Account as herein provided; and

WHEREAS, the execution and delivery of the Series 2021 Bonds and of this Second Supplemental Indenture have been duly authorized by the Board of the District and all things necessary to make the Series 2021 Bonds, when executed by the District and authenticated by the Trustee, valid and binding legal obligations of the District and to make this Second Supplemental Indenture a valid and binding agreement and, together with the Master Indenture, a valid and binding lien on the 2021 Trust Estate (as hereinafter defined) have been done;

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

That the District, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the mutual covenants herein contained, the purchase and acceptance of the Series 2021 Bonds by the purchaser or purchasers thereof, and other good and valuable consideration, receipt of which is hereby acknowledged, and in order to further secure the payment of the principal and Redemption Price of, and interest on, all Series 2021 Bonds Outstanding from time to time, according to their tenor and effect, and such other payments required to be made under the Master Indenture or hereunder, and to further secure the observance and performance by the District of all the covenants, expressed or implied in the Master Indenture, in this Second Supplemental Indenture and in the Series 2021 Bonds: (a) has executed and delivered this Second Supplemental Indenture and (b) does hereby, grant, bargain, sell, convey, transfer, assign and pledge unto the Trustee, and unto its successors in interest the trusts under the Master Indenture, and to them and their successors and assigns forever, all right, title and interest of the District, in, to and under, subject to the terms and conditions of the Master Indenture and the provisions of the Master Indenture pertaining to the application thereof for or to the purposes and on the terms set forth in the Master Indenture, all revenues derived by the District from the 2021 Special Assessments levied and imposed pursuant to the Assessment Proceedings as the same may be amended from time to time (as further defined herein, the “2021 Pledged Revenues”) and the Funds and Accounts (except for the 2021 Rebate Account and the 2021 Costs of Issuance Account) established hereby (the “2021 Pledged Funds” and collectively with the “2021 Pledged Revenues,” the “2021 Trust Estate”) which shall comprise the Trust Estate securing only the Series 2021 Bonds;

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

IN TRUST NEVERTHELESS, except as in each such case may otherwise be provided in the Master Indenture, upon the terms and trusts in the Master Indenture set forth for the equal and proportionate benefit, security and protection of all and singular the present and future Owners of the Series 2021 Bonds issued or to be issued under and secured by this Second Supplemental Indenture, without preference, priority or distinction as to lien or otherwise, of any Series 2021 Bond over any other Series 2021 Bond by reason of priority in their issue, sale or execution;

PROVIDED HOWEVER, that if the District, its successors or assigns, shall well and duly pay, or cause to be paid, or make due provision for the payment of the principal and Redemption Price of the Series 2021 Bonds or any Series 2021 Bond secured and Outstanding under this Second Supplemental Indenture and the interest due or to become due thereon, at the times and in the manner mentioned in the Series 2021 Bonds and this Second Supplemental Indenture, according to the true intent and meaning thereof, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of the Master Indenture and this Second Supplemental Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provision of the Master Indenture and this Second Supplemental Indenture, then upon such final payments, this Second Supplemental Indenture and the rights hereby granted shall cease and terminate, with respect to all Series 2021 Bonds or any Series 2021 Bond of a particular maturity, otherwise this Second Supplemental Indenture shall remain in full force and effect;

THIS SECOND SUPPLEMENTAL INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Series 2021 Bonds issued and secured hereunder are to be issued, authenticated and delivered and all of the rights and property pledged to the payment thereof are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as in the Master Indenture (except as amended directly or by implication by this Second Supplemental Indenture), including this Second Supplemental Indenture, expressed, and the District has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners, from time to time, of the Series 2021 Bonds, as follows:

ARTICLE I DEFINITIONS

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

“Acquisition Agreement” shall mean any document, including any and all amendments thereto, pursuant to which the Developer conveys to the District any portion of the 2021 Project.

“Amortization Installments” shall mean the moneys required to be deposited in the 2021 Sinking Fund Account within the Debt Service Fund for the purpose of redeeming and paying when due any Term Bonds.

“Assessment Interest” shall mean the interest on 2021 Special Assessments received by the District which is pledged to the Series 2021 Bonds, other than Delinquent Assessment Interest.

“Assessment Principal” shall mean the principal amount of 2021 Special Assessments received by the District which are pledged to the Series 2021 Bonds, other than Delinquent Assessment Principal and Prepayment Principal.

“Assessment Proceedings” shall mean the proceedings of the District with respect to the establishment, levy and collection of the 2021 Special Assessments, including the Assessment Resolution and any supplemental proceedings undertaken by the District with respect to the 2021 Special Assessments.

“Beneficial Owner” shall mean the owners from time to time of the Series 2021 Bonds for federal income tax purposes.

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

“Bond Participants” shall mean those broker-dealers, banks and other financial institutions from time to time for which the Bond Depository holds Series 2021 Bonds as securities depository.

“Collateral Assignment” shall mean the Collateral Assignment and Assumption of Development Rights relating to the Capital Improvement Plan, dated September __, 2021, between the District and the Developer, as amended from time to time.

“Completion Agreement” shall mean the Completion Agreement dated September __, 2021 between the Developer and the District dated September 21, 2020.

“Conditions for Reduction of 2021 Reserve Account Requirement” shall mean collectively (i) that the 2021 Special Assessments have been Substantially Absorbed as certified by the District Manager and (ii) there shall be no Events of Default under the Indenture with respect to the Series 2021 Bonds, as certified by the District Manager. The District shall present the Trustee with the certifications of the District Manager regarding the satisfaction of the Conditions for Reduction of 2021 Reserve Account Requirement; and the Trustee may rely conclusively upon such certifications and shall have no duty to verify the same.

“Continuing Disclosure Agreement” shall mean the Continuing Disclosure Agreement, dated September __, 2021 between District and the Developer and joined in by the Trustee and Dissemination Agent (as defined therein), as originally executed and as it may be amended from time to time in accordance with the terms thereof.

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

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

“Developer” shall mean D.R. Horton, Inc., a Delaware corporation.

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

“Interest Payment Date” shall mean each May 1 and November 1, commencing November 1, 2021.

“Majority Owners” shall mean the Beneficial Owners of more than fifty percent (50%) of the aggregate principal amount of the Series 2021 Bonds then Outstanding.

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

“Operation and Maintenance Assessments” shall mean non-ad valorem special assessments levied by the District pursuant to the Act and other applicable law on assessable District lands for the operation and maintenance of the 2021 Project and/or the operations of the District.

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

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

“Quarterly Redemption Date” shall mean each February 1, May 1, September 1 and November 1.

“Release Conditions #1” shall mean all lots within the Phases 3 and 4 Sub-Assessment Area One have been developed, platted, all Phases 3 and 4 Special Assessments are being collected pursuant to the Uniform Method of Collection afforded by Chapter 197, Florida Statutes, and no Event of Default under the Master Indenture has occurred and continuing.

“Release Conditions #2” shall mean satisfaction of Release Conditions #1 and all homes within the Phases 3 and 4 Sub-Assessment Area One have been built, sold and closed with end-users and all of the principal portion of the Phases 3 and 4 Special Assessments have been assigned to such homes.

“2021 Special Assessments” shall mean the Special Assessments levied against properties within the District specially benefited by the 2021 Project all as described in the Assessment Proceedings.

“Series 2021 Reserve Requirement” or “Reserve Requirement” shall mean an amount equal to 50% of the then maximum annual debt service with respect to the initial principal amount of the Series 2021 Bonds determined on the date of issue. If a portion of the Series 2021 Bonds are redeemed pursuant to Section 3.01(b)(i) or Section 3.01(b)(iii) hereof, the amount in the Series 2021 Reserve Account shall be reduced to the then applicable Reserve Requirement in connection with such extraordinary mandatory redemptions. Any excess in the Series 2021 Reserve Account as a result shall be applied in accordance with Section 3.01(b)(i) or Section 3.01(b)(iii) hereof. Notwithstanding any of the foregoing, upon satisfaction of the Release Conditions #1 or Release Conditions #2, as applicable, as evidenced by a written certificate of the District Manager delivered to the Trustee, upon which the Trustee may conclusively rely, the Series 2021 Reserve Requirement shall mean 25% (with respect to satisfaction of Release Conditions #1) or 10% (with respect to satisfaction of Release Conditions #2) of the maximum annual debt service of the Outstanding Series 2021 Bonds. Any amount in the Series 2021 Reserve Account may, upon final maturity or redemption of all Outstanding Series 2021 Bonds be used to pay principal of and interest on the Series 2021 Bonds at that time. The initial Series 2021 Reserve Requirement shall be equal to \$_____.

“Substantially Absorbed” shall mean the date at least 90% of the principal portion of the 2021 Special Assessments have been assigned to residential units that have received certificates of occupancy.

“Term Bonds” shall mean the Series 2021 Bonds that mature on one date and that are subject to mandatory redemption from Amortization Installments.

“True Up Agreement” shall mean, True-Up Agreement as to 2021 Special Assessments between the District and the Developer, dated September __, 2021.

“2021 Acquisition and Construction Account” shall mean the Account so designated, established as a separate Account within the Acquisition and Construction Fund pursuant to Section 401(a) of this Second Supplemental Indenture.

“2021 Costs of Issuance Account” shall mean the Account so designated, established as a separate Account within the Acquisition and Construction Fund pursuant to Section 401(a) of this Second Supplemental Indenture.

“2021 Interest Account” shall mean the Account so designated, established as a separate Account within the Debt Service Fund pursuant to Section 401(b) of this Second Supplemental Indenture.

“2021 Optional Redemption Account” shall mean the Account so designated, established as a separate Account within the Bond Redemption Fund pursuant to Section 401(c) of this Second Supplemental Indenture.

“2021 Pledged Revenues” shall mean all revenues received by the District from the 2021 Special Assessments, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such 2021 Special Assessments or from the issuance and sale of tax certificates with respect to such 2021 Special Assessments; provided, however, that 2021 Pledged Revenues shall not include (A) any moneys transferred to the 2021 Rebate Account, or investment earnings thereon and (B) “special assessments” levied and collected by the District under Section 190.022 of the Act for maintenance purposes or “maintenance special assessments” levied and collected by the District under Section 190.021(3) of the Act (it being expressly understood that the lien and pledge of the Indenture shall not apply to any of the moneys described in the foregoing clauses (A) and (B) of this proviso).

“2021 Prepayment Account” shall mean the Account so designated, established as a separate Account within the Bond Redemption Fund pursuant to Section 401(c) of this Second Supplemental Indenture.

“2021 Rebate Account” shall mean the Account so designated, established pursuant to Section 4.07 of this Second Supplemental Indenture.

“2021 Reserve Account” shall mean the Account established as a separate Account within the Debt Service Reserve Fund pursuant to Section 401(d) of this Second Supplemental Indenture.

“2021 Reserve Account Requirement” shall mean (i) initially an amount equal to thirty-five (35%) of the maximum annual Debt Service Requirement for the Series 2021 Bonds calculated from time to time which is initially \$48,518.75 and (ii) upon the occurrence of the Conditions for Reduction of 2021 Reserve Account Requirement, and thereafter, shall be an amount equal to twenty-five percent (25%) of the maximum annual Debt Service Requirement on the Series 2021 Bonds. Upon the occurrence of the Conditions for Reduction of 2021 Reserve Account Requirement the excess amount in the 2021 Reserve Account shall be transferred as provided in Section 405 hereof. For the purpose of calculating the 2021 Reserve Account Requirement, maximum annual Debt Service Requirement shall be calculated as of the date of the original issuance and delivery of the Series 2021 Bonds and recalculated in connection with each extraordinary mandatory redemption of the Series 2021 Bonds (but not upon the optional or mandatory sinking fund redemption thereof) and such excess amount, after the disbursements described in the immediately preceding sentence, shall be released from the Series 2021 Reserve Account and transferred to the 2021 Prepayment Account in accordance with the provisions of Section 405 hereof. Amounts on deposit in 2021 Reserve Account shall, upon final maturity or redemption of all Outstanding Series 2021 Bonds be used to pay principal of and interest on Series 2021 Bonds at that time.

“2021 Revenue Account” shall mean the Account so designated, established as a separate Account within the Revenue Fund pursuant to Section 401(e) of this Second Supplemental Indenture.

“2021 Sinking Fund Account” shall mean the Account so designated, established as a separate Account within the Debt Service Fund pursuant to Section 401(b) of this Second Supplemental Indenture.

“2021 Special Assessments” shall mean the Special Assessments levied against properties within the District specially benefited by the 2021 Project as described in the Assessment Proceedings.

ARTICLE II

AUTHORIZATION, ISSUANCE AND PROVISIONS OF SERIES 2021 BONDS

Section 201. Authorization of Series 2021 Bonds; Book-Entry Only Form. The Series 2021 Bonds are hereby authorized to be issued in the aggregate principal amount of \$8,000,000 for the purposes enumerated in the recitals hereto. The Series 2021 Bonds shall be substantially in the form set forth as **Exhibit B** to this Second Supplemental Indenture. Each Series 2021 Bond shall bear the designation “2020” and be numbered consecutively from 1 upwards.

The Series 2021 Bonds shall be initially issued in the form of a separate single certificated fully registered Series 2021 Bond for each maturity of Series 2021 Bonds. Upon initial issuance, the ownership of such Series 2021 Bond shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of The Depository Trust Company, New York, New York (“DTC”), the initial Bond Depository. Except as provided in this Section 201, all of the Outstanding Series 2021 Bonds shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC.

With respect to Series 2021 Bonds registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, the District, the Trustee, the Bond Registrar and the Paying Agent shall have no responsibility or obligation to any such Bond Participant or to any Beneficial Owner. Without limiting the immediately preceding sentence, the District, the Trustee, the Bond Registrar and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Bond Participant with respect to any ownership interest in the Series 2021 Bonds, (ii) the delivery to any Bond Participant or any other person other than an Owner, as shown in the registration books kept by the Bond Registrar, of any notice with respect to the Series 2021 Bonds, including any notice of redemption, or (iii) the payment to any Bond Participant or any other person, other than an Owner, as shown in the registration books kept by the Bond Registrar, of any amount with respect to principal of, premium, if any, or interest on the Series 2021 Bonds. The District, the Trustee, the Bond Registrar and the Paying Agent may treat and consider the person in whose name each Series 2021 Bond is registered in the registration books kept by the Bond Registrar as the absolute owner of such Series 2021 Bond for the purpose of payment of principal, premium and interest with respect to such Series 2021 Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2021 Bond, for the purpose of registering transfers with respect to such Series 2021 Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium, if any, and interest on the Series 2021 Bonds only to or upon the order of the respective Owners, as shown in the registration books kept by the Bond Registrar, or their respective attorneys duly authorized in writing, as provided herein and all such payment shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal of, premium, if any, and interest on the Series 2021 Bonds to the extent of the sum or sums so paid. No person other than

an Owner, as shown in the registration books kept by the Bond Registrar, shall receive a certificated Series 2021 Bond evidencing the obligation of the District to make payments of principal, premium, if any, and interest pursuant to the provisions hereof. Upon delivery by DTC to the District of written notice to the effect that DTC has determined to substitute a new Nominee in place of Cede & Co., and subject to the provisions therein with respect to Record Dates, the words "Cede & Co." in this Second Supplemental Indenture shall refer to such new Nominee of DTC; and upon receipt of such a notice the District shall promptly deliver a copy of the same to the Trustee, Bond Registrar and the Paying Agent.

Upon receipt by the Trustee or the District of written notice from DTC: (i) confirming that DTC has received written notice from the District to the effect that a continuation of the requirement that all of the Outstanding Series 2021 Bonds be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, is not in the best interest of the Beneficial Owners of the Series 2021 Bonds or (ii) to the effect that DTC is unable or unwilling to discharge its responsibilities and no substitute Bond Depository willing to undertake the functions of DTC hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, the Series 2021 Bonds shall no longer be restricted to being registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names the Beneficial Owners shall designate, in accordance with the provisions hereof.

Section 202. Terms of Series 2021 Bonds. The Series 2021 Bonds shall be issued as ___ () Term Bonds as set forth below and shall bear interest at the fixed interest rates per annum and shall mature in the amounts and on the dates set forth below:

\$ _____, _____ % Term Bond due May 1, _____

\$ _____, _____ % Term Bond due May 1, _____

\$ _____, _____ % Term Bond due May 1, _____

\$ _____, _____ % Term Bond due May 1, _____

Section 203. Dating; Interest Accrual. Each Series 2021 Bond upon initial issuance shall be dated September ___, 2021. Each Series 2021 Bond shall also bear its date of authentication. Each Series 2021 Bond shall bear interest from the Interest Payment Date to which interest has been paid next preceding the date of its authentication, unless the date of its authentication: (i) is an Interest Payment Date to which interest on such Series 2021 Bond has been paid, in which event such Series 2021 Bond shall bear interest from its date of authentication; or (ii) is prior to the first Interest Payment Date for the Series 2021 Bonds, in which event such Series 2021 Bond shall bear interest from its date. Interest on the Series 2021 Bonds shall be due and payable on each May 1 and November 1, commencing November 1, 2021, and shall be computed on the basis of a 360-day year of twelve 30-day months.

Section 204. Denominations. The Series 2021 Bonds shall be issued in Authorized Denominations provided however, delivery of the Series 2021 Bonds to the initial purchasers thereof shall be in principal amounts of \$100,000 of integral multiples of \$5,000 in excess thereof.

Section 205. Paying Agent. The District appoints the Trustee as Paying Agent for the Series 2021 Bonds.

Section 206. Bond Registrar. The District appoints the Trustee as Bond Registrar for the Series 2021 Bonds.

Section 207. Conditions Precedent to Issuance of Series 2021 Bonds. In addition to complying with the requirements set forth in Section 3.01 of the Master Indenture in connection with the issuance of the Series 2021 Bonds, all the Series 2021 Bonds shall be executed by the District for delivery to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the District or upon its order, but only upon the further receipt by the Trustee of:

- (a) Certified copies of the Assessment Proceedings;
- (b) Executed originals of the Master Indenture and this Second Supplemental Indenture;
- (c) A Bond Counsel opinion addressed to the Trustee or with respect to which the Trustee has received a customary reliance letter substantially to the effect that; (i) the Indenture has been duly authorized and executed by the District and constitutes a valid and binding obligation of the District; (ii) the Series 2021 Bonds have been duly authorized, executed and delivered by the District and are valid and binding special obligations of the District, payable solely from the sources provided therefor in the Indenture; (iii) the interest on the Series 2021 Bonds is excludable from gross income for federal income tax purposes; and (iv) the Series 2021 Bonds and the interest paid thereon are exempt from all taxes imposed by the State of Florida except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes.
- (d) An opinion of Counsel to the District addressed to the Trustee substantially to the effect that; (i) the District has been duly established and validly exists as a community development district under the Act, (ii) the District has good right and lawful authority under the Act to undertake the 2021 Project being financed with the proceeds of the Series 2021 Bonds, subject to obtaining such licenses, orders or other authorizations as are, at the date of such opinion, required to be obtained from any agency or regulatory body having lawful jurisdiction in order to undertake the 2021 Project, (iii) all proceedings undertaken by the District with respect to the 2021 Special Assessments have been in accordance with Florida law, (iv) the District has taken all action necessary to levy and impose the 2021 Special Assessments, and (v) the 2021 Special Assessments are legal, valid and binding liens upon the property against which such 2021 Special Assessments are made, coequal with the lien of all state, county, district and municipal taxes, superior in dignity to all other liens, titles and claims, until paid;
- (e) A certificate of a Responsible Officer to the effect that, upon the authentication and delivery of the Series 2021 Bonds, the District will not be in default in the performance of the terms and provisions of the Master Indenture or this Second Supplemental Indenture;
- (f) A certificate or certificates of the District's engineer certifying as to the accuracy of the information set forth in the District engineer's report regarding the 2021 Project; and

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

Delivery to the Trustee of the net proceeds from the issuance of the Series 2021 Bonds shall constitute conclusive proof of the delivery of the items described above to the satisfaction of the Issuer and the underwriter of the Series 2021 Bonds.

Section 208. Continuing Disclosure. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provisions of the Indenture, failure of the District to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Trustee may and, at the request of any Participating Underwriter (as defined in Rule 15c2-12 of the Securities and Exchange Commission) or the Holders of at least 25% aggregate principal amount of Outstanding Series 2021 Bonds, and receipt of indemnity satisfactory to the Trustee shall, or any such Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the District to comply with its obligations under this Section.

ARTICLE III REDEMPTION AND PURCHASE OF SERIES 2021 BONDS

The Series 2021 Bonds are subject to redemption prior to maturity as provided in the form thereof set forth as **Exhibit A** to this Second Supplemental Indenture. Notice of redemption shall be given as provided in Section 8.02 of the Master Indenture.

ARTICLE IV DEPOSIT OF SERIES 2021 BOND PROCEEDS AND APPLICATION THEREOF; ESTABLISHMENT OF ACCOUNTS AND OPERATION THEREOF

Section 401. Establishment of Accounts.

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

- (i) a 2021 Acquisition and Construction Account; and
- (ii) a 2021 Costs of Issuance Account;

(b) There are hereby established within the Debt Service Fund held by the Trustee a 2021 Sinking Fund Account, and a 2021 Interest Account;

(c) There is hereby established within the Bond Redemption Fund a 2021 Prepayment Account and a 2021 Optional Redemption Account;

(d) There is hereby established within the Debt Service Reserve Fund held by the Trustee a 2021 Reserve Account, which account shall be held for the benefit of all of the Series 2021 Bonds without distinction as to Series 2021 Bonds and without privilege or priority of one Series 2021 Bond over another;

(e) There is hereby established within the Revenue Fund held by the Trustee a 2021 Revenue Account; and

(f) There is hereby established within the Rebate Fund held by the Trustee.

Upon the occurrence of the Conditions for Reduction of 2021 Reserve Requirement the excess in the 2021 Reserve Account shall be deposited to the 2021 Reserve Account.

Section 402. Use of Series 2021 Bond Proceeds. Following the Trustee's receipt of the items set forth in Section 3.01 of the Master Indenture and Section 207 hereof, the net proceeds of sale of the Series 2021 Bonds, \$_____ (face amount of Series 2021 Bonds less underwriter's discount of \$_____ and less/plus original issue discount/premium of \$_____) shall be delivered to the Trustee by the District and be applied as follows:

(a) \$_____, representing the 2021 Reserve Account Requirement, shall be deposited to the 2021 Reserve Account;

(b) \$_____, representing costs of issuance relating to the Series 2021 Bonds, shall be deposited to the credit of the 2021 Costs of Issuance Account;

(c) \$_____, shall be deposited to the 2021 Interest Account; and

(d) \$_____ of the proceeds of the Series 2021 Bonds remaining after the deposits above shall be deposited to the credit of the 2021 Acquisition and Construction Account of the Acquisition and Construction Fund.

Section 403. Acquisition and Construction Fund.

(a) Amounts on deposit in the 2021 Acquisition and Construction Account shall be applied to pay the Costs of the 2021 Project upon presentment to the Trustee of a properly signed requisition in substantially the form of Exhibit B hereto.

(b) Any balance remaining in the 2021 Acquisition and Construction Account after the Completion Date of the 2021 Project and after retaining the amount, if any, of all remaining unpaid Costs of the 2021 Project set forth in the Engineers' Certificate establishing such Completion Date, shall be deposited in the 2021 Prepayment Account in the Bond Redemption Fund and applied to the extraordinary mandatory redemption of the Series 2021 Bonds in the manner prescribed in the Series 2021 Bonds. At such time as there are no amounts on deposit in the 2021 Acquisition and Construction Account such account shall be closed. No such transfer to the 2021 Prepayment Account shall be made if on the date of such proposed transfer the Trustee has knowledge that an Event of Default exists until such Event of Default no longer exists or is waived or the Trustee is directed by the Majority Owners to otherwise apply such moneys.

In accordance with the provisions of the Indenture, the Series 2021 Bonds are payable solely from the 2021 Trust Estate. The District acknowledges hereby that (i) the 2021 Trust Estate includes, without limitation, all amounts on deposit in the 2021 Acquisition and Construction Account then held by the Trustee, (ii) upon the occurrence of an Event of Default

with respect to the Series 2021 Bonds, the 2021 Trust Estate may not be used by the District (whether to pay costs of the 2021 Project or otherwise) without the consent of the Majority Owners, except to the extent that prior to the occurrence of the Event of Default the District had incurred a binding obligation with third parties for work on the 2021 Project and payment is for such work and (iii) the 2021 Trust Estate may be used by the Trustee, at the direction or with the approval of the Majority Owners, to pay costs and expenses incurred in connection with the pursuit of remedies under the Indenture. The District shall not enter into any binding agreement with respect to the 2021 Project after the occurrence of an Event of Default unless authorized in writing by the Majority Owners.

Section 404. Costs of Issuance Account. There shall be deposited in the 2021 Costs of Issuance Account \$ _____ which shall, at the written direction of a Responsible Officer to the Trustee, be used to pay the costs of issuance relating to the Series 2021 Bonds. Any amounts on deposit in the 2021 Costs of Issuance Account ninety (90) days after the date of initial delivery of the Series 2021 Bonds, for which the District has not provided a pending requisition, shall be transferred over and deposited into the 2021 Acquisition and Construction Account and used for the purposes permitted therefor and the 2021 Costs of Issuance Account shall be closed.

Section 405. 2021 Reserve Account. Amounts on deposit in the 2021 Reserve Account except as provided elsewhere in the Master Indenture or in this Second Supplemental Indenture shall be used only for the purpose of making payments into the 2021 Interest Account and the 2021 Sinking Fund Account to pay the Series 2021 Bonds, without distinction as to Series 2021 Bonds and without privilege or priority of one Series 2021 Bond over another, when due when the moneys on deposit in such Accounts and available therefor are insufficient.

The Trustee, on each March 15, June 15, September 15 and December 15 (or if such day is not a Business Day, on the Business Day next preceding such day) next preceding each Quarterly Redemption Date, after taking into account all payments and transfers made as of such date, shall compute the value of the 2021 Reserve Account and shall promptly notify the District of the amount of any deficiency or surplus as of such date in such account. The District shall immediately pay the amount of any deficiency to the Trustee, for deposit in the 2021 Reserve Account, from the first legally available sources of the District. Any such surplus in the 2021 Reserve Account shall be deposited to the 2021 Prepayment Account.

All earnings on investments in the 2021 Reserve Account shall be deposited to the 2021 Revenue Account provided no deficiency exists in the 2021 Reserve Account except that prior to the Completion Date of the 2021 Project earnings shall be deposited to the 2021 Acquisition and Construction Account if a deficiency does not exist in the 2021 Reserve Account and if a deficiency does exist earnings shall remain on deposit in the 2021 Reserve Account until the deficiency is cured. Such Account shall consist only of cash and Investment Securities.

Upon satisfaction of the Conditions for Reduction of 2021 Reserve Account Requirement, the amount on deposit in the 2021 Reserve Account in excess of the 2021 Reserve Account Requirement shall then be transferred to 2021 Prepayment Account of the Bond Redemption Fund.

Notwithstanding the foregoing on the earliest date on which there is on deposit in the 2021 Reserve Account, sufficient monies, taking into account other monies available therefor, to pay and redeem all of the Outstanding Series 2021 Bonds, together with accrued interest on such Series 2021 Bonds to the earliest date of redemption, then the Trustee shall transfer to the 2021 Prepayment Account the amount on deposit in the 2021 Reserve Account to pay and redeem all of the Outstanding Series 2021 Bonds on the earliest such date.

Section 406. Application of Prepayment Principal; 2021 Prepayment Account. All Prepayment Principal shall upon receipt by the Trustee be deposited to the 2021 Prepayment Account. At the time the District deposits Prepayment Principal with the Trustee it shall notify the Trustee in writing as to the amount of Prepayment Principal. Amounts on deposit in the 2021 Prepayment Account shall be applied to the extraordinary mandatory redemption of the Series 2021 Bonds in the manner prescribed in the Series 2021 Bonds.

The Trustee is not responsible to verify if any payment is Prepayment Principal and may conclusively rely as accurate upon the classification of the District as Prepayment Principal and in the absence of such notification will conclude that such payment is not Prepayment Principal and that such payment is to be deposited into the 2021 Revenue Account.

Section 407. Tax Covenants and Rebate Account. The District shall comply with the Arbitrage Certificate (including deposits to and payments from the 2021 Rebate Account hereby established) included as part of the closing transcript for the Series 2021 Bonds, as amended and supplemented from time to time in accordance with its terms. Amounts in the 2021 Rebate Account hereby established shall be directed by the District for investment only in Government Obligations. To the extent any amounts in the 2021 Rebate Account are not needed to comply with the Arbitrage Certificate, such amounts shall be transferred as directed by the District to any other fund or account created hereunder.

Notwithstanding anything to the contrary contained in the Master Indenture, the District covenants with the holders of the Series 2021 Bonds that it shall comply with the requirements of Code necessary to maintain the exclusion of interest on the Series 2021 Bonds from gross income for purposes of federal income taxation, including the payment of any amount required to be rebated to the U.S. Treasury pursuant to the Code, and, in particular, that it shall not make or direct the making of any investment or other use of proceeds of such Series 2021 Bonds (or amounts deemed to be proceeds under the Code) in any manner which would cause the interest on such Series 2021 Bonds to be or become subject to federal income taxation, nor shall it fail to do any act which is necessary to prevent such interest from becoming subject to federal income taxation. The District further covenants that neither the District nor any other person under its control or direction will make any investment or other use of the proceeds of the Series 2021 Bonds (or amounts deemed to be proceeds under the Code) in any manner which would cause the Series 2021 Bonds to be “private activity bonds” as that term is defined in Section 141 of the Code (or any successor provision thereto), or “arbitrage bonds” as that term is defined in Section 148 of the Code (or any successor provision thereto) and that it will comply with such sections of the Code throughout the term of the Series 2021 Bonds.

Section 408. Establishment of 2021 Revenue Account in Revenue Fund; Application of Series 2021 Accounts and Investment Earnings.

(a) Except as otherwise provided herein, amounts on deposit in the 2021 Revenue Account shall be applied in accordance with Section 6.03 of the Master Indenture. Except as otherwise provided herein, the 2021 Special Assessments will be collected as provided in Section 9.04 of the Master Indenture. Following an Event of Default, the Majority Owners may direct the District as to the collection method for the 2021 Special Assessments provided such method complies with Florida law. The District covenants to assess, levy, and enforce the payment of the 2021 Special Assessments at times and in amounts as shall be necessary in order to pay, when due, Debt Service Requirements on the Series 2021 Bonds and to pay or cause to be paid the proceeds of such 2021 Special Assessments as received to the Trustee for deposit to the 2021 Revenue Account.

(b) Upon deposit of the revenues from the 2021 Special Assessments including the interest thereon with the Trustee, the District shall provide the Trustee a written accounting setting forth the amounts of such 2021 Special Assessments in the following categories which shall be deposited by the Trustee into the Funds and Accounts established hereunder as follows:

(i) Assessment Interest which shall be deposited into the 2021 Interest Account;

(ii) Assessment Principal, which shall be deposited into the 2021 Sinking Fund Account;

(iii) Prepayment Principal which shall be deposited into the 2021 Prepayment Account;

(iv) Delinquent Assessment Principal shall first be applied to restore the amount of any withdrawal from the 2021 Reserve Account to pay the principal of Series 2021 Bonds, to the extent that less than the 2021 Reserve Account Requirement is on deposit in the 2021 Reserve Account, and, the balance, if any, shall be deposited into the 2021 Sinking Fund Account;

(v) Delinquent Assessment Interest shall first be applied to restore the amount of any withdrawal from the 2021 Reserve Account to pay the interest of Series 2021 Bonds to the extent that less than the 2021 Reserve Account Requirement is on deposit in a 2021 Reserve Account, and, the balance, if any, shall be deposited into the 2021 Interest Account;

(vi) The balance shall be deposited in the 2021 Revenue Account.

(c) On each March 15, June 15, September 15 and December 15 (or if such Day is not a Business Day, on the Business Day next preceding such day), the Trustee shall determine the amount on deposit in the 2021 Prepayment Account and, if the balance therein is greater than zero, shall transfer, but only after transferring sufficient amounts as directed by the District from the 2021 Revenue Account to pay amounts due on the next Interest Payment Date from the 2021 Revenue Account for deposit into such Prepayment Account, an amount sufficient to increase the amount on deposit therein to the next integral multiple of \$5,000, and, shall thereupon give notice and cause the extraordinary mandatory redemption of Series 2021 Bonds

on the next succeeding Quarterly Redemption Date in the maximum aggregate principal amount for which moneys are then on deposit in such Prepayment Account in accordance with the provisions for extraordinary redemption of Series 2021 Bonds. All interest due in regard to such prepayments shall be paid from the 2021 Interest Account or, if insufficient amounts are on deposit in the 2021 Interest Account to pay such interest, then from the 2021 Revenue Account.

(d) Anything herein or in the Master Indenture to the contrary, on each May 1 and November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such May 1 or November 1), the Trustee shall transfer from amounts on deposit in the 2021 Revenue Account to the Funds and Accounts designated below, the following amounts in the following order of priority:

FIRST, beginning on November 1, 2021, to the 2021 Interest Account of the Debt Service Fund, an amount equal to the amount of interest payable on all Series 2021 Bonds then Outstanding on such May 1 or November 1, less any other amount already on deposit in the 2021 Interest Account not previously credited;

SECOND, beginning on May 1, 2021, and no later than the Business Day next preceding each May 1 thereafter while Series 2021 Bonds remain Outstanding, to the 2021 Sinking Fund Account, an amount equal to the Amortization Installment on the Series 2021 Bonds due on such May 1 or the principal maturing on such May 1, less any amount on deposit in the 2021 Sinking Fund Account not previously credited;

THIRD, to the 2021 Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the 2021 Reserve Account Requirement with respect to the Series 2021 Bonds; and

FOURTH, the balance shall be retained in the 2021 Revenue Account, provided that on November 2 of each year any funds remaining in the 2021 Revenue Account shall be applied upon direction of the District to the Trustee, (i) prior to the completion of the 2021 Project, to the 2021 Acquisition and Construction Account, and (ii) thereafter, to any lawful purpose of the District.

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

(e) On any date required by the Arbitrage Certificate, the District shall give the Trustee written direction to, and the Trustee shall, transfer from the 2021 Revenue Account to the 2021 Rebate Account established for the Series 2021 Bonds in the Rebate Fund the amount due and owing to the United States, which amount shall be paid, to the United States, when due, in accordance with such Arbitrage Certificate. To the extent insufficient moneys are on deposit in the 2021 Revenue Account to make the transfer provided for in the immediately preceding sentence the District shall deposit with the Trustee from available moneys of the District the amount of any such insufficiency.

(f) Anything herein or in the Master Indenture to the contrary notwithstanding, amounts on deposit in all of the Funds and Accounts held as security for the Series 2021 Bonds shall be invested only in Investment Securities, and further, earnings on investments in the 2021 Acquisition and Construction Account and the 2021 Costs of Issuance Account shall be retained as realized, in such Fund and Accounts and used for the purpose of such Fund and Accounts. Earnings on investments in the 2021 Revenue Account, 2021 Sinking Fund Account, the 2021 Interest Account and the 2021 Prepayment Account and the 2021 Optional Redemption Account in the Bond Redemption Fund shall be deposited, as realized, to the credit of the 2021 Revenue Account and used for the purpose of such Account.

Earnings on investments in the 2021 Reserve Account shall be disposed of as provided in Section 405 hereof.

ARTICLE V CONCERNING THE TRUSTEE

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

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

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

Section 504. Brokerage Confirmations. The District acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Issuer the right to receive individual confirmations of security transactions at no additional cost, as they occur, the Issuer specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Issuer periodic cash transaction statements that include detail for all investment transactions made by the Trustee hereunder and under the Master Indenture with respect to the 2021 Bonds Outstanding.

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

ARTICLE VI
MISCELLANEOUS

Section 601. Confirmation of Master Indenture. As supplemented by this Second Supplemental Indenture, the Master Indenture is in all respect ratified and confirmed, and this Second Supplemental Indenture shall be read, taken and construed as a part of the Master Indenture so that all of the rights, remedies, terms, conditions, covenants and agreements of the Master Indenture, except insofar as modified herein, shall apply and remain in full force and effect with respect to this Second Supplemental Indenture and to the Series 2021 Bonds issued hereunder. To the extent of any conflicts between the terms and provisions of the Master Indenture and this Second Supplemental Indenture the terms and provisions hereof shall control.

Section 602. Additional Covenant Regarding 2021 Assessments. In addition, and not in limitation of, the covenants contained elsewhere in this Second Supplemental Indenture and in the Master Indenture, the District covenants to comply with the terms of the proceedings heretofore adopted with respect to the 2020 Assessments, including the assessment methodology, prepared by Rizzetta & Company, Inc. (the "Report"), and to levy the 2020 Assessments and any required true up payments as set forth in the Report, in such manner as will generate funds sufficient to pay the principal of and interest on the Series 2021 Bonds, when due. The District also agrees that it shall not amend the Report in any material manner without the written consent of the Majority Owners.

The District shall directly collect the 2021 Special Assessments in lieu of the Uniform Method with respect to any assessable lands until such time as such lots are platted, unless the District Manager is directed otherwise by Majority Owners.

Section 603. Limitation on Additional Debt. Other than Bonds issued to refund a portion of Outstanding Series 2021 Bonds, the issuance of which as determined by the District results in present value debt service savings, the District shall not, while any Series 2021 Bonds are outstanding, issue or incur any debt payable in whole or in part from the 2021 Trust Estate. In addition, the District covenants not to issue any other Bonds or other debt obligations secured by Special Assessments on assessable lands which are also encumbered by the 2021 Special Assessments for any capital project unless the 2021 Special Assessments have been Substantially Absorbed; provided, however, that the foregoing shall not preclude the imposition of Special Assessments on property subject to the 2021 Special Assessments which as determined by the District, are necessary for health, safety, and welfare reasons or to remediate a natural disaster. The District may issue Bonds or other debt obligations secured by Special Assessments on assessable lands not encumbered by the 2021 Special Assessments without limitation except as limited by the documents pursuant to which such Bonds or debt are issued. The Trustee and the District may rely on a certificate from the District Manager regarding such status of the residential units and the 2021 Special Assessments and in the absence of receipt of such certificate, may assume Substantial Absorption has not occurred.

Section 604. Additional Matters Relating to Delinquent Assessments.

(a) Notwithstanding anything herein or in the Master Indenture to the contrary, the following provisions shall apply with respect to the 2021 Special Assessments and

Series 2021 Bonds: If any property shall be offered for sale for the nonpayment of any 2021 Special Assessments, and no person or persons shall purchase such property for an amount equal to the full amount due on the 2021 Special Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), the property may then be purchased by the District for an amount equal to the balance due on the 2021 Special Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), from any legally available funds of the District and District shall receive, in its corporate name or in the name of a special purpose entity, title to the property the benefit of the Owners of the Series 2021 Bonds; provided that the Trustee shall have the right, acting at the discretion of the Majority Owners, but shall not be obligated, to direct the District with respect to any action taken pursuant to this Section. The District, either through its own actions, or actions caused to be taken through the Trustee, shall have the power to and shall lease or sell such property, and deposit all of the net proceeds of any such lease or sale into the 2021 Revenue Account. The District, either through its own actions, or actions caused to be taken by the District through the Trustee, agrees that it shall, after being provided assurances satisfactory to it of payment of its fees, costs and expenses for doing so, be required to take the measures provided by law for listing for sale of property acquired by it as trustee for the Owners of the Series 2021 Bonds within sixty (60) days after the receipt of the request therefore signed by the Trustee, acting at the direction of the Majority Owners of the Series 2021 Outstanding . The District may pay costs associated with any actions taken by the District pursuant to this paragraph from any moneys legally available for such purpose held under the Indenture, provided such action does not adversely impact the tax-exempt status of the interest on the Series 2021 Bonds.

(b) Notwithstanding anything to the contrary herein or in the Master Indenture, the District acknowledges and agrees that (i) upon failure of any property owner to pay when due any installment of 2021 Special Assessments that are billed directly by the District, that the entire 2021 Special Assessments levied on the property for which such installment of 2021 Special Assessments is due and unpaid, with interest and penalties thereon, shall immediately become due and payable as provided by applicable law and, with the written consent of the Trustee, acting at the direction of the Majority Owners of the Series 2021 Bonds Outstanding, the District shall promptly, but in any event within ninety (90) days of the receipt of such consent, cause to be brought the necessary legal proceedings for the foreclosure of liens of the delinquent 2021 Special Assessments, including interest and penalties and (ii) the foreclosure proceedings shall be prosecuted to a sale and conveyance of the property involved in said proceedings as now provided by law in suits to foreclose mortgages.

Section 605. Additional Matters Relating to 2021 Special Assessments and Assessment Proceedings. The District covenants and agrees that upon the occurrence and continuance of an Event of Default with respect to the Series 2021 Bonds, it will take such actions to enforce the remedial provisions of the Indenture, the provisions for the collection of delinquent 2021 Special Assessments that are directly billed and collected by the District, as well as delinquent direct billed Operation and Maintenance Assessments, and the provisions for the foreclosure of liens of delinquent 2021 Special Assessments that are directly billed and collected by the District, as well as delinquent direct billed Operation and Maintenance Assessments, all in a manner consistent with the Master Indenture and this Second Supplemental Indenture. All 2021 Special Assessments that are billed and collected directly by the District shall be due and payable no

later than thirty (30) days prior to each Interest Payment Date and shall become delinquent thereafter.

Section 606. Additional Matters Relating to Events of Default.

In addition to the events set forth in Section 10.02 of the Master Indenture, each of the following events shall be an Event of Default with respect to the Series 2021 Bonds, notwithstanding anything to the contrary in the Master Indenture:

(a) Any portion of the 2021 Special Assessments pledged to the Series 2021 Bonds shall have become delinquent and, as the result thereof, the Indenture authorizes the Trustee to withdraw funds in an amount greater than fifteen percent (15%) of the amount on deposit in 2021 Reserve Account to pay the Debt Service Requirements on the Series 2021 Bonds (regardless of whether the Trustee does or does not actually withdraw such funds from the 2021 Reserve Account to pay the Debt Service Requirements on the Series 2021 Bonds) (the foregoing being referred to as a “2021 Reserve Account Event”) unless within sixty (60) days from the 2021 Reserve Account Event the District has either paid to the Trustee (i) the amounts, if any, withdrawn from the 2021 Reserve Account or (ii) the portion of the Delinquent Assessment Principal and Delinquent Assessment Interest giving rise to the 2021 Reserve Account Event are no longer delinquent; and

(b) More than fifteen percent (15%) of the Operation and Maintenance Assessments that are directly billed by the District and levied by the District on tax parcels subject to the 2021 Special Assessments are not paid by the date such are due and payable and such default continues for sixty (60) days after the date when due. The District shall give written notice to the Trustee of the occurrence of such event not later than 10 days after the end of the sixty day period referred to in the preceding sentence. The Trustee shall not be deemed to have knowledge of the occurrence of such an Event of Default absent notice thereof from the District.

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

(a) The provisions of this Section 607 shall be applicable both before and after the commencement, whether voluntary or involuntary, of any case, proceeding or other action by or against any owner of any tax parcel subject to at least three percent (3%) of the 2021 Special Assessments pledged to the Series 2021 Bonds Outstanding (an “Insolvent Taxpayer”) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, assignment for the benefit of creditors, or relief of debtors (a “Proceeding”).

(b) The District acknowledges and agrees that, although the Series 2021 Bonds were issued by the District, the Owners of the Series 2021 Bonds are categorically the party with the ultimate financial stake in the transaction and, consequently, the party with a vested and pecuniary interest in a Proceeding. In the event of any Proceeding involving an Insolvent Taxpayer:

(i) the District hereby agrees that it shall seek to secure the written consent of the Trustee, acting at the direction of the Majority Owners of the Series 2021 Bonds Outstanding, prior to making any election, giving any consent, commencing any action or filing any motion, claim, obligation, notice or application or in taking any other

action or position in any Proceedings or in any action related to a Proceeding that affects, either directly or indirectly, the 2021 Special Assessments relating to the Series 2021 Bonds Outstanding, the Outstanding Series 2021 Bonds or any rights of the Trustee under the Indenture (provided, however, Trustee shall be deemed to have consented, on behalf of the Majority Owners of the Series 2021 Bonds Outstanding, to the proposed action if the District does not receive a written response from the Trustee within thirty (30) days following receipt by the Trustee of the written request for consent);

(ii) the District hereby agrees that it shall not make any election, give any consent, commence any action or file any motion, claim, obligation, notice or application or take any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the 2021 Special Assessments relating to the Series 2021 Bonds Outstanding, the Series 2021 Bonds Outstanding or any rights of the Trustee under the Indenture that are inconsistent with any written consent received (or deemed received) from the Trustee;

(iii) the District hereby agrees that it shall seek the written consent of the Trustee prior to filing and voting in any such Proceeding (provided, however, Trustee shall be deemed to have consented, on behalf of the Majority Owners of the Series 2021 Bonds Outstanding, to the proposed action if the District does not receive a written response from the Trustee within thirty (30) days following receipt by the Trustee of the written request for consent);

(iv) the Trustee shall have the right, by interpleader or otherwise, to seek or oppose any relief in any such Proceeding that the District, as claimant with respect to the 2021 Special Assessments relating to the Series 2021 Bonds Outstanding would have the right to pursue, and, if the Trustee chooses to exercise any such rights, the District shall not oppose the Trustee in seeking to exercise any and all rights and taking any and all actions available to the District in connection with any Proceeding of any Insolvent Taxpayer, including without limitation, the right to file and/or prosecute and/or defend any claims and proofs of claims, to vote to accept or reject a plan, to seek dismissal of the Proceeding, to seek stay relief to commence or continue foreclosure or pursue any other available remedies as to the 2021 Special Assessments relating to the Series 2021 Bonds Outstanding, to seek substantive consolidation, to seek to shorten the Insolvent Taxpayer's exclusivity periods or to oppose any motion to extend such exclusivity periods, to oppose any motion for use of cash collateral or for authority to obtain financing, to oppose any sale procedures motion or any sale motion, to propose a competing plan of reorganization or liquidation, or to make any election under Section 1111(b) of the Bankruptcy Code; and

(v) The District shall not challenge the validity or amount of any claim submitted in good faith in such Proceeding by the Trustee or any valuations of the lands owned by any Insolvent Taxpayer submitted in good faith by the Trustee in such Proceedings or take any other action in such Proceedings, which is adverse to Trustee's enforcement or the District's claim and rights with respect to the 2021 Special Assessments relating to the Series 2021 Bonds Outstanding or receipt of adequate protection (as that term is defined in the Bankruptcy Code). Without limiting the

generality of the foregoing, the District agrees that the Trustee shall have the right (i) to file a proof of claim with respect to the 2021 Special Assessments pledged to the Series 2021 Bonds Outstanding, (ii) to deliver to the District a copy thereof, together with evidence of the filing with the appropriate court or other authority, and (iii) to defend any objection filed to said proof of claim.

(c) Notwithstanding the provisions of the immediately preceding paragraphs, nothing in this Section shall preclude the District from becoming a party to a Proceeding in order to enforce a claim for Operation and Maintenance Assessments, and the District shall be free to pursue such claim in such manner as it shall deem appropriate in its sole and absolute discretion. Any actions taken by the District in pursuance of its claim for Operation and Maintenance Assessments in any Proceeding shall not be considered an action adverse or inconsistent with the Trustee's rights or consents with respect to the 2021 Special Assessments relating to the Series 2021 Bonds Outstanding whether such claim is pursued by the District or the Trustee; provided, however, that the District shall not oppose any relief sought by the Trustee under the authority granted to the Trustee in clause (b)(iv) or (b)(v) above.

Section 608. Assignment of Collateral Assignment.

The District hereby assigns its rights under the Collateral Assignment to the Trustee for the benefit of the Owners, from time to time, of the Series 2021 Bonds. Such assignment shall not be considered an assumption by the Trustee of any obligations thereunder.

Section 609. Third Party Beneficiaries. This Second Supplemental Indenture shall inure solely to the benefit of the District, the Trustee and the Holders from time to time of the Series 2021 Bonds, and shall create no rights in any other person or entity.

Section 610. Enforcement of True-Up Agreement and Completion Agreement. The District, either through its own actions, or actions caused to be taken through the Trustee, covenants that it shall strictly enforce all of the provisions of the Completion Agreement and the True-Up Agreement, and, upon the occurrence and continuance of a default under such agreements, the District covenants and agrees that the Trustee, at the written direction of the Majority Owners of the Series 2021 Bonds shall, subject to the Trustee's rights under Article X of the Master Indenture, act on behalf of, and in the District's stead, to enforce the provisions of such agreements and to pursue all available remedies under applicable law or in equity. Anything herein or in the Master Indenture to the contrary notwithstanding, failure of the District to enforce, or permit the Trustee to enforce in its stead, all of the provisions of the Completion Agreement and the True-Up Agreement upon demand of the Majority Owners of the Series 2021 Bonds, or the Trustee at the written direction of the Majority Owners of the Series 2021 Bonds, shall constitute an Event of Default under the Indenture without benefit of any period for cure.

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

**TOWN OF KINDRED COMMUNITY
DEVELOPMENT DISTRICT II**

[SEAL]

By: _____
Chairman, Board of Supervisors

ATTEST:

By: _____
Secretary

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

By: _____
Vice President

EXHIBIT A

No. 2021R-_____ \$ _____

United States of America
State of Florida

**TOWN OF KINDRED COMMUNITY DEVELOPMENT DISTRICT II
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2021**

<u>Interest</u> <u>Rate</u>	<u>Maturity</u> <u>Date</u>	<u>Dated</u> <u>Date</u>	<u>CUSIP</u>
_____%	May 1, ____	_____, 2021	_____

Registered Owner: CEDE & CO.

Principal Amount: _____ MILLION _____ HUNDRED _____ THOUSAND AND
NO/100 DOLLARS

THE TOWN OF KINDRED COMMUNITY DEVELOPMENT DISTRICT II HAS ESTABLISHED A BOOK ENTRY SYSTEM OF REGISTRATION FOR THIS SERIES 2021 BOND. EXCEPT AS SPECIFICALLY PROVIDED OTHERWISE IN THE INDENTURE, CEDE & CO., AS NOMINEE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), WILL BE THE REGISTERED OWNER AND WILL HOLD THIS SERIES 2021 BOND ON BEHALF OF EACH BENEFICIAL OWNER HEREOF. BY ACCEPTANCE OF A CONFIRMATION OF PURCHASE, DELIVERY OR TRANSFER, EACH BENEFICIAL OWNER OF THIS SERIES 2021 BOND SHALL BE DEEMED TO HAVE AGREED TO SUCH ARRANGEMENT. CEDE & CO., AS REGISTERED OWNER OF THIS SERIES 2021 BOND, MAY BE TREATED AS THE OWNER OF IT FOR ALL PURPOSES.

UNLESS THIS SERIES 2021 BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF DTC TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, WITH RESPECT TO ANY SERIES 2021 BOND REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC, ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TOWN OF KINDRED COMMUNITY DEVELOPMENT DISTRICT II, a community development district duly created and existing pursuant to Chapter 190, Florida Statutes (the “District”), for value received, hereby promises to pay (but only out of the sources hereinafter mentioned) to the Registered Owner set forth above, or registered assigns, on the maturity date shown hereon, unless this Series 2021 Bond shall have been called for redemption in whole or in part and payment of the Redemption Price (as defined in the Indenture mentioned hereinafter) shall have been duly made or provided for, the principal amount shown above and to pay (but

only out of the sources hereinafter mentioned) interest on the outstanding principal amount hereof from the most recent Interest Payment Date to which interest has been paid or provided for, or if no interest has been paid, from the Dated Date shown above, on May 1 and November 1 of each year (each, an “Interest Payment Date”), commencing on November 1, 2021, until payment of said principal sum has been made or provided for, at the rate per annum set forth above. Notwithstanding the foregoing, if any Interest Payment Date is not a Business Day (as defined in the Indenture hereinafter mentioned), then all amounts due on such Interest Payment Date shall be payable on the first Business Day succeeding such Interest Payment Date, but shall be deemed paid on such Interest Payment Date. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture (as hereinafter defined), be paid to the Registered Owner hereof at the close of business on the regular record date for such interest, which shall be the fifteenth (15th) day of the calendar month next preceding such Interest Payment Date; provided, however, that on or after the occurrence and continuance of an Event of Default under clause (a) and/or (b) of Section 10.02 of the Master Indenture, the payment of interest and principal or Redemption Price shall be made by the Paying Agent (hereinafter defined) to such person, who, on a special record date which is fixed by the Trustee, which shall be not more than fifteen (15) and not less than ten (10) days prior to the date of such proposed payment, appears on the registration books of the Bond Registrar as the Registered Owner of this Series 2021 Bond. Any payment of principal, or Redemption Price or interest shall be made only in accordance with standard DTC practices. Interest on this Bond will be computed on the basis of a 360-day year of twelve 30 day months.

This Bond is one of a duly authorized issue of bonds of the District designated “Special Assessment Revenue Bonds, Series 2021” (the “Series 2021 Bonds”) issuable under and governed by the terms of a Master Trust Indenture, dated as of September 1, 2021 (the “Master Indenture”), between the District and U.S. Bank National Association as trustee (the “Trustee”), as supplemented by a Second Supplemental Trust Indenture, dated as of September 1, 2021 (the “Supplemental Indenture”), between the District and the Trustee (the Master Indenture as supplemented by the Supplemental Indenture is hereafter referred to as the “Indenture”). The Series 2021 Bonds are issued in an aggregate principal amount of \$8,000,000 for the purposes of (i) financing the Cost of acquiring, constructing and equipping certain assessable improvements (the “2021 Project”); (ii) paying certain costs associated with the issuance of the Series 2021 Bonds; (iii) paying a portion of the interest to accrue on the Series 2021 Bonds; and (iv) making a deposit into the 2021 Reserve Account for the benefit of all of the Series 2021 Bonds.

This Series 2021 Bond is issued under and pursuant to the Constitution and laws of the State of Florida, particularly Chapter 190, Florida Statutes, as amended, and other applicable provisions of law and pursuant to the Indenture, executed counterparts of which Indenture are on file at the designated office of the Trustee. Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of Series 2021 Bonds, the collection, receipt and disposition of revenues and the funds charged with and pledged to the payment of the principal, and Redemption Price of, and the interest on, the Series 2021 Bonds, the nature and extent of the security thereby created, the covenants of the District with respect to the levy and collection of the 2021 Pledged Revenues (as defined in the Indenture), the terms and conditions under which the Series 2021 Bonds are or may be issued, the rights, duties, obligations and immunities of the District and the Trustee under the Indenture and the rights of the Registered Owners and Beneficial Owners of the Series 2021 Bonds, and,

by the acceptance of this Series 2021 Bond, the Registered Owner and Beneficial Owners hereof assent to all of the provisions of the Indenture. Terms not otherwise defined herein shall have the meaning ascribed to them in the Indenture. The Series 2021 Bonds are equally and ratably secured by the 2021 Trust Estate, without preference or priority of one Series 2021 Bond over another.

The Series 2021 Bonds are issuable only as registered bonds without coupons in current interest form in denominations of \$5,000 or any integral multiple thereof (an “Authorized Denomination”). This Series 2021 Bond is transferable by the Registered Owner hereof or his duly authorized attorney at the designated corporate trust office of the Trustee as Bond Registrar (the “Bond Registrar”), upon surrender of this Series 2021 Bond, accompanied by a duly executed instrument of transfer in form and with guaranty of signature reasonably satisfactory to the Bond Registrar, subject to such reasonable regulations as the District or the Bond Registrar may prescribe, and upon payment of any taxes or other governmental charges incident to such transfer. Upon any such transfer a new Series 2021 Bond or Series 2021 Bonds, in the same aggregate principal amount and of the same maturity as the Series 2021 Bond or Series 2021 Bonds transferred, will be issued to the transferee. At the designated corporate trust office of the Bond Registrar in the manner and subject to the limitations and conditions provided in the Indenture and without cost, except for any tax or other governmental charge, Series 2021 Bonds may be exchanged for an equal aggregate principal amount of Series 2021 Bonds of the same maturity, in Authorized Denominations and bearing interest at the same rate or rates.

The District has established a book-entry system of registration for the Series 2021 Bonds. Except as specifically provided otherwise in the Indenture, an agent will hold this Series 2021 Bond on behalf of the Beneficial Owner hereof. By acceptance of a confirmation of purchase, delivery or transfer, the Beneficial Owner of this Series 2021 Bond shall be deemed to have agreed to such arrangement.

Optional Redemption

The Series 2021 Bonds are subject to redemption at the option of the District prior to maturity, in whole or in part, on any date on or after May 1, 2033 at the Redemption Price of 100% of the principal amount to be redeemed plus accrued interest to the redemption date.

Mandatory Redemption

The Series 2021 Bond maturing May 1, ___ is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2021 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, on May 1 of the years and in the principal amounts set forth below.

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

*

*Maturity

The Series 2021 Bond maturing May 1, ___ is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2021 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, on May 1 of the years and in the principal amounts set forth below.

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

*

*Maturity

The Series 2021 Bond maturing May 1, ___ is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2021 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, on May 1 of the years and in the principal amounts set forth below.

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

*

*Maturity

The Series 2021 Bond maturing May 1, ___ is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2021 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, on May 1 of the years and in the principal amounts set forth below.

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

*

Any Series 2021 Bonds that are purchased by the District with amounts held to pay an Amortization Installment will be cancelled and the principal amount so purchased will be applied as a credit against the applicable Amortization Installment of Series 2021 Bonds.

Upon redemption or purchase of the Series 2021 Bonds (other than redemption in accordance with scheduled Amortization Installments), the District shall cause to be recalculated and delivered to the Trustee revised Amortization Installments recalculated so that debt service

on the Series 2021 Bonds is amortized in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Series 2021 Bonds.

Extraordinary Mandatory Redemption

The Series 2021 Bonds are subject to extraordinary mandatory redemption prior to scheduled maturity, in whole on any date or in part on any Quarterly Redemption Date, and if in part on a pro rata basis calculated by the District determined by the ratio of the Outstanding principal amount of each maturity of the Series 2021 Bonds treating for such purposes each Amortization Installment as a maturity divided by the aggregate principal amount of Outstanding Series 2021 Bonds and as otherwise provided in the Indenture, at the Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the Quarterly Redemption Date, if and to the extent that any one or more of the following shall have occurred:

(i) On or after Completion Date of the 2021 Project by application of moneys transferred from the 2021 Acquisition and Construction Account to the 2021 Prepayment Account in accordance with the terms of the Indenture; or

(ii) Amounts are deposited into the 2021 Prepayment Account from the prepayment of 2021 Special Assessments and from amounts deposited into the 2021 Prepayment Account from any other sources; or

(iii) When the amount on deposit in the 2021 Reserve Account, together with other moneys available therefor are sufficient to pay and redeem all the Series 2021 Bonds then Outstanding as provided in the Supplemental Indenture.

If less than all of the Series 2021 Bonds of a maturity subject to redemption shall be called for redemption, the particular such Series 2021 Bonds or portions of such Series 2021 Bonds of that maturity to be redeemed shall be selected by lot by the Registrar as provided in the Indenture.

Notice of each redemption of Series 2021 Bonds is required to be mailed by the Bond Registrar, postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the redemption date to each Registered Owner of Series 2021 Bonds to be redeemed at the address of such Registered Owner recorded on the bond register maintained by the Bond Registrar. On the date designated for redemption, notice having been given and money for the payment of the Redemption Price being held by the Paying Agent, all as provided in the Indenture, the Series 2021 Bonds or such portions thereof so called for redemption shall become and be due and payable at the Redemption Price provided for the redemption of such Series 2021 Bonds or such portions thereof on such date, interest on such Series 2021 Bonds or such portions thereof so called for redemption shall cease to accrue, such Series 2021 Bonds or such portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Indenture and the Owners thereof shall have no rights in respect of such Series 2021 Bonds or such portions thereof so called for redemption except to receive payments of the Redemption Price thereof so held by the Paying Agent.

The Owner of this Series 2021 Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

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

Any moneys held by the Trustee or Paying Agent in trust for the payment and discharge of any Series 2021 Bond which remain unclaimed for three (3) years after the date when such Series 2021 Bond has become due and payable, either at its stated maturity date or by call for earlier redemption, if such moneys were held by the Trustee or any Paying Agent at such date, or for three (3) years after the date of deposit of such moneys if deposited with the Trustee or Paying Agent after the date when such Series 2021 Bond became due and payable, shall be paid to the District, and thereupon and thereafter no claimant shall have any rights against the Trustee or Paying Agent to or in respect of such moneys.

If the District deposits or causes to be deposited with the Trustee funds or Defeasance Securities (as defined in the Indenture) sufficient to pay the principal or Redemption Price of any Series 2021 Bonds becoming due at maturity or by call for redemption in the manner set forth in the Indenture, together with the interest accrued to the due date, the lien of such Series 2021 Bonds as to the 2021 Trust Estate shall be discharged, except for the rights of the Owners thereof with respect to the funds so deposited as provided in the Indenture.

This Series 2021 Bond shall have all the qualities and incidents, including negotiability, of investment securities within the meaning and for all the purposes of the Uniform Commercial Code of the State of Florida.

This Series 2021 Bond is issued with the intent that the laws of the State of Florida shall govern its construction.

NEITHER THIS SERIES 2021 BOND NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF FLORIDA. THIS SERIES 2021 BOND AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN UPON ANY PROPERTY OF THE DISTRICT OTHER THAN AS PROVIDED IN THE INDENTURE. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE, OR THE SERIES 2021 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE, OR THE SERIES 2021 BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE 2021 PLEDGED REVENUES AND THE

2021 Pledged Funds PLEDGED TO THE SERIES 2021 BONDS, ALL AS PROVIDED HEREIN AND IN THE INDENTURE.

All acts, conditions and things required by the Constitution and laws of the State of Florida and the resolutions of the District to happen, exist and be performed precedent to and in the issuance of this Series 2021 Bond and the execution of the Indenture, have happened, exist and have been performed as so required. This Series 2021 Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Indenture until it shall have been authenticated by the execution by the Trustee of the Certificate of Authentication endorsed hereon.

IN WITNESS WHEREOF, Town of Kindred Community Development District II has caused this Series 2021 Bond to bear the signature the Chairman of its Board of Supervisors and the official seal of the District to be impressed or imprinted hereon and attested by the signature of its Secretary.

**TOWN OF KINDRED COMMUNITY
DEVELOPMENT DISTRICT II**

(SEAL)

By: _____
Chairman, Board of Supervisors

ATTEST:

By: _____
Secretary

CERTIFICATE OF AUTHENTICATION

This Series 2021 Bond is one of the Bonds of the Series designated herein, described in the within-mentioned Indenture.

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

By: _____
Vice President

Date of Authentication:

CERTIFICATE OF VALIDATION

This Series 2021 Bond is one of a Series of Bonds which were validated by judgment of the Circuit Court in and for Osceola County, Florida, rendered on May 13, 2020.

**TOWN OF KINDRED COMMUNITY
DEVELOPMENT DISTRICT II**

By: _____
Chairman, Board of Supervisors

[FORM OF ABBREVIATIONS FOR SERIES 2021 BONDS]

The following abbreviations, when used in the inscription on the face of the within Series 2021 Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM as tenants in common

TEN ENT as tenant by the entireties

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

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

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

For value received, the undersigned hereby sells, assigns and transfers unto
_____ the within Series 2021 Bond and all rights
thereunder, and hereby irrevocably constitutes and appoints _____,
attorney to transfer the said Series 2021 Bond on the books of the District, with full power of
substitution in the premises.

Date: _____

Social Security Number of Employer

Identification Number of Transferee:

Signature guaranteed:

NOTICE: The assignor's signature to this
Assignment must correspond with the name
as it appears on the face of the within Series
2021 Bond in every particular without
alteration or any change whatever.

NOTICE: Signatures (s) must be guaranteed
by guarantor institution participating in the
Securities Transfer Agents Medallion Program
or such other guaranteed program acceptable
to the Trustee.

EXHIBIT B

FORM OF REQUISITION 2021 ACQUISITION AND CONSTRUCTION ACCOUNT

Town of Kindred Community Development District II
Osceola County, Florida

U.S. Bank National Association, as Trustee
Orlando, Florida

**TOWN OF KINDRED COMMUNITY DEVELOPMENT DISTRICT II
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021**

The undersigned, a Responsible Officer of the Town of Kindred Community Development District II (the “District”) hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture between the District and U.S. Bank National Association, as trustee (the “Trustee”), dated as of September 1, 2021, as supplemented by that certain Second Supplemental Trust Indenture dated as of September 1, 2021 (collectively, the “Indenture”) (all capitalized terms used herein shall have the meaning ascribed to such term in the Indenture);

- (A) Requisition Number;
- (B) Name of Payee;
- (C) Amount Payable;
- (D) Purpose for which paid or incurred (refer also to specific contract if amount is due and payable pursuant to a contract involving progress payments):
- (E) Account from which disbursement to be made: 2021 Acquisition and Construction Account

The undersigned hereby certifies that:

1. obligations in the stated amount set forth above have been incurred by the District;
2. each disbursement set forth above is a proper charge against the Account referenced in “E” above;
3. each disbursement set forth above was incurred in connection with the Cost of the 2021 Project;

4. each disbursement represents a Cost of the 2021 Project which has not previously been paid; and
5. the costs set forth in the requisition are reasonable.

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

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

Copies of the invoice(s) from the vendor of the property acquired or the services rendered with respect to which disbursement is hereby requested or other similar evidence of proof of payment is on file with the District.

**TOWN OF KINDRED COMMUNITY
DEVELOPMENT DISTRICT II**

By: _____
Responsible Officer

Date: _____

The undersigned District Engineer hereby certifies that; (i) this disbursement is for the Cost of the 2021 Project and is consistent with the report of the District Engineer, as such report has been amended or modified; (ii) that the portion of the 2021 Project improvements being acquired from the proceeds of the Series 2021 Bonds have been completed in accordance with the plans and specifications therefor; (iii) the 2021 Project improvements subject to this disbursement are constructed in a sound workmanlike manner and in accordance with industry standards; (iv) the purchase price being paid by the District for the 2021 Project improvements being acquired pursuant to this disbursement is no more than the lesser of the fair market value of such improvements and the actual Cost of construction of such improvements; and (v) the plans and specifications for the 2021 Project improvements subject to this disbursement have been approved by all Regulatory Bodies required to approve them.

District Engineer

EXHIBIT C

DESCRIPTION OF 2021 PROJECT

**ASSESSABLE IMPROVEMENTS AS DESCRIBED IN THE ENGINEER'S REPORT
PREPARED BY BOYD CIVIL ENGINEERING, INC.
REVISED JUNE 3, 2020 AND AS REVISED FROM TIME TO TIME.**

Exhibit B

Exhibit C

Exhibit D

Tab 8

**AGREEMENT BETWEEN
TOWN OF KINDRED COMMUNITY DEVELOPMENT DISTRICT II AND
D.R. HORTON, INC., REGARDING THE ACQUISITION OF CERTAIN WORK
PRODUCT, IMPROVEMENTS AND REAL PROPERTY**

<2021 PROJECT>

THIS ACQUISITION AGREEMENT (“Agreement”) is made and entered into this ____ day of _____, 2021, by and between:

TOWN OF KINDRED COMMUNITY DEVELOPMENT DISTRICT II, a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*, being situated in Osceola County, Florida, with a mailing address of c/o Rizzetta & Company, Inc., 8529 South Park Circle, Suite 330, Orlando, Florida 32819 (the “District”); and

D.R. HORTON, INC., a Delaware corporation, and the owner and developer of certain lands within the boundaries of the District, with a mailing address of 6200 Lee Vista Boulevard, Suite 400, Orlando, Florida 32822 (the “Developer” and together with the District, the “Parties”).

RECITALS

WHEREAS, the District was established for the purposes of planning, financing, constructing, acquiring, operating and/or maintaining certain public infrastructure, as authorized by Chapter 190, *Florida Statutes*; and

WHEREAS, the District has adopted a capital improvement plan for the planning, design, acquisition, construction, and installation of various public infrastructure improvements, facilities, and services (the “Improvements”) within the District, and the anticipated cost thereof, as described in that certain *Engineer’s Report for the Town of Kindred Community Development District II 2021 Project*, dated April 16, 2020, as supplemented by that *Supplemental Engineer’s Report for the Town of Kindred Community Development District II*, dated _____, 2021 (together, the “Engineer’s Report”), attached hereto as **Exhibit A** and incorporated herein by reference; and

WHEREAS, the Developer is the owner and developer of certain lands located within the boundaries of the District known as 2021 ProjectC-2 and 2021 ProjectD, within which a portion of the Improvements will be located (the “2021 Project”); and

WHEREAS, the District intends to finance all or a portion of the 2021 Project through the anticipated issuance of its Town of Kindred Community Development District II Special Assessment Revenue Bonds, Series 2021 (the “Series 2021 Bonds”); and

WHEREAS, because the Series 2021 Bonds have not yet been issued, the District has not had sufficient monies on hand to allow the District to fund the cost of preparation of the necessary

surveys, reports, drawings, plans, permits, specifications, and related documents which would allow the timely commencement and completion of construction of the Improvements (the “Work Product”); and

WHEREAS, the District acknowledges the Developer’s need to have the Improvements constructed in an expeditious and timely manner in order to develop 2021 Project; and

WHEREAS, the District agrees that it will not have sufficient monies to proceed with either the preparation of the Work Product or the commencement of construction of the Improvements described in **Exhibit A** until such time as the District has closed on the sale of the Series 2021 Bonds; and

WHEREAS, to avoid a delay in the commencement of the construction of the Improvements, the Developer has advanced, funded, commenced, and completed and/or will complete certain work to enable the District to expeditiously provide the Improvements; and

WHEREAS, the District desires to commence the acquisition of certain Work Product and the Improvements, and accept assignment of certain agreements regarding the same; and

WHEREAS, in conjunction with the acquisition of the Work Product and/or Improvements, the Developer desires to convey to the District interests in real property sufficient to allow the District to own, operate, maintain, construct, or install the Improvements, if any such conveyances are appropriate, and such conveyances shall be in fee simple, perpetual easement, or other interest as may be in the best interests of the District or as required by permits or development plans (the “Real Property”); and

WHEREAS, the Developer and the District desire to enter into this Agreement to set forth the process by which the District may acquire the Work Product, Improvements, and/or Real Property.

NOW, THEREFORE, based upon good and valuable consideration and the mutual covenants of the Parties, the receipt and sufficiency of which are hereby acknowledged, the District and the Developer agree as follows:

SECTION 1. INCORPORATION OF RECITALS. The recitals stated above are true and correct and by this reference are incorporated herein and form a material part of this Agreement.

SECTION 2. WORK PRODUCT. The District agrees to pay the lesser of actual cost incurred by the Developer or fair market value, for preparation of the Work Product in accordance with the provisions of this Agreement. The Developer shall provide copies of any and all invoices, bills, receipts, or other evidence of costs incurred by the Developer for the Work Product. The Parties agree to cooperate and use good faith and best efforts to undertake and complete the acquisition process contemplated by this Agreement on such date or dates as the Parties may jointly agree upon (each an “Acquisition Date”). The Parties agree that separate or multiple Acquisition Dates may be established for any portion of the acquisitions contemplated by this Agreement. The District Engineer shall review all evidence of cost and shall certify to the District’s Board of

Supervisors (the “Board”) the total actual amount of cost, which, in the District Engineer’s sole opinion, is reasonable for the Work Product. The District Engineer’s opinion as to cost shall be set forth in an Engineer’s Certificate which shall accompany the requisition for the funds from the trustee (the “Trustee”) for the Series 2021 Bonds. In the event that the Developer disputes the District Engineer’s opinion as to cost, the District and the Developer agree to use good faith efforts to resolve such dispute. If the Parties are unable to resolve any such dispute, the Parties agree to jointly select a third-party engineer whose decision as to any such dispute shall be binding upon the Parties. Such decision by a third-party engineer shall be set forth in an Engineer’s Affidavit which shall accompany the requisition for the funds from the Trustee. The Parties acknowledge that the Work Product is being acquired for use by the District in connection with the construction and/or acquisition of the Improvements.

A. The Developer agrees to convey to the District, and solely to the extent permitted by the terms of the Work Product, the Work Product upon payment of the sums determined to be reasonably acceptable by the District Engineer and approved by the District’s Board pursuant to and as set forth in this Agreement.

B. The Developer agrees to release to the District all right, title, and interest which the Developer may have in and to the above described Work Product, as well as all common law, statutory, and other reserved rights, including all copyrights in the Work Product and extensions and renewals thereof under United States law and throughout the world, and all publication rights and all subsidiary rights and other rights in and to the Work Product in all forms, mediums, and media, now known or hereinafter devised; provided, however, that the District agrees and acknowledges that the Developer shall retain the right, title and interest to use the Work Product, and the District shall grant the Developer a license to use the Work Product to the extent reasonably required by the Developer in connection with the ownership, construction, development, and management of 2021 Project or other lands owned by Developer to which such Work Product pertains. To the extent determined necessary by the District, the Developer shall use commercially reasonable efforts to obtain all releases from any professional providing services in connection with the Work Product to enable the District to use and rely upon the Work Product. Such releases may include, but are not limited to, any architectural, engineering, or other professional services.

C. Except as otherwise separately agreed by the Parties with respect to any particular acquisition of Work Product, and without intending to modify any of the other terms of this Agreement, any conveyance of Work Product shall be on an “AS-IS” basis, and without any representation or warranty from the Developer to the District in respect thereto.

D. The Developer agrees to make reasonable good faith efforts, but without imposing any requirement on Developer to pay for additional warranty rights on behalf of the District, to provide or cause to be provided to the District, either by assignment or directly from such third parties as may be necessary and desirable to the mutual satisfaction of the Parties hereto, a warranty that the Work Product is fit for the purposes to which it will be put by the District, as contemplated by the Engineer’s Report. The District agrees

to pursue primary recovery for any maintenance obligation or loss resulting from any latent or patent defect in the Work Product from any person or entity providing the applicable warranty assigned to the District.

E. The District agrees to allow the Developer access to and use of the Work Product without the payment of any fee by the Developer. However, to the extent the Developer's access to and use of the Work Product causes the District to incur any cost or expense, such as copying costs, the Developer agrees to pay such cost or expense.

SECTION 3. IMPROVEMENTS. The Developer has expended certain funds on behalf of the District relating to the Improvements. The District agrees to acquire or otherwise reimburse the Developer for those portions of the Improvements which have been commenced or completed prior to the issuance of the Series 2021 Bonds. When a portion of the Improvements is ready for conveyance by the Developer to the District, the Developer shall notify the District in writing, describing the nature of the improvement, its general location, and its estimated cost. Developer agrees to provide, at or prior to the Acquisition Date, the following: (i) documentation of actual costs paid; (ii) instruments of conveyance such as special warranty bills of sale or such other instruments as may be reasonably requested by the District; and (iii) any other releases, indemnifications, or documentation as may be reasonably requested by the District. Any interests in Real Property necessary for the functioning of the Improvements to be acquired under this paragraph shall be reviewed and conveyed in accordance with the provisions of Section 5 herein. The District Engineer in consultation with District Counsel shall determine in writing whether the infrastructure to be conveyed is a part of the Improvements contemplated by the Engineer's Report, and if so, shall provide Developer with a list of items necessary to complete the acquisition. Each such acquisition shall also be subject to the engineering review and certification process described in Section 2 above. The District Manager shall determine, in writing, whether the District has, based on the Developer's estimate of cost, sufficient unencumbered funds to acquire the improvement.

A. All documentation of any acquisition (e.g., bills of sale, receipts, maintenance bonds, as-builts, evidence of costs, deeds or easements, etc.) shall be to the reasonable satisfaction of the District. If any item acquired is to be conveyed to a third-party governmental entity, then the Developer agrees to cooperate in providing such certifications, warranties, representations or other items as may be required by that governmental entity, if any.

B. The District Engineer shall certify as to the actual cost of any Improvements built or constructed by or at the direction of the Developer, and the District shall pay no more than the actual cost incurred, or the fair market value of the Improvement, whichever is less, as determined by the District Engineer. The District Engineer shall use customary industry standards to determine the fair market value of the Improvements.

C. The Developer agrees to cooperate in the transfer of any permits to the District or another governmental entity with maintenance obligations for the associated Improvements conveyed pursuant to this Agreement.

D. Nothing herein shall require the District to accept any Work Product and/or Improvements unless the District Engineer, in his or her professional opinion, is able to certify that, in addition to any other requirements of law: (i) the Work Product and/or Improvements are as set forth in the Engineer's Report; (ii) the price for such Work Product and/or Improvements is equal to or less than each of (a) the cost actually paid to develop and/or install the Work Product and/or Improvements by the Developer and (b) the fair market value of the Work Product and/or Improvements determined using customary industry standards; (iii) as to Work Product, the Work Product is capable of being used for the purposes intended by the District, and, as to any Improvements, the Improvements were installed in accordance with their specifications, and are capable of performing the functions for which they were intended; and (iv) as to any Improvements, all known plans, permits and specifications necessary for the operation and maintenance of the Improvements are complete and on file with the District, and have been transferred, or are capable of being transferred, to the District for operations and maintenance responsibilities.

SECTION 4. ASSIGNMENT OF CONTRACTS. The District may accept the assignment of certain contracts. Such acceptance is predicated upon: (i) each contractor providing a bond in the form and manner required by Section 255.05, *Florida Statutes*, or the Developer providing adequate alternative security in compliance with Section 255.05, *Florida Statutes*, if required; and (ii) receipt by the District of a release from each general contractor acknowledging each assignment and the validity thereof, acknowledging the furnishing of the bond or other security required by Section 255.05, *Florida Statutes*, if any, and waiving any and all claims against the District arising as a result of or connected with such assignment. Until such time as the Series 2021 Bonds are actually issued, the Developer agrees to provide such funds as are needed by the District to make all payments for any such assigned contracts when and as needed by the District.

SECTION 5. CONVEYANCE OF REAL PROPERTY.

A. Conveyance. In the event that interests in the Real Property are to be conveyed by the Developer and acquired by the District in connection with the acquisition of the Improvements, and as mutually agreed upon by the District and the Developer, then in such event, the Developer agrees that it will convey to the District at or prior to the Acquisition Date by a special warranty deed, or non-exclusive easement, as reasonably acceptable to the District together with a metes and bounds or other legal description, the Real Property upon which the Improvements are constructed or which are necessary for the operation and maintenance of, and access to the Improvements. The Parties agree that in no event shall the purchase price for such interest in the Real Property exceed the lesser of the actual cost to the Developer or the reasonable fair market value based on an appraisal or similar third party report (prepared by a qualified appraiser or appraisal company) or based on other evidence of its value, excluding any increased value resulting from the Improvements, obtained by the Developer in a form acceptable to the District. The Parties agree that the purchase price shall not include amounts attributable to the value of improvements on the Real Property or the value of other Improvements serving the Real Property that have been, or will be, funded by the District. The District may determine in its reasonable discretion that fee title is not necessary and in such cases shall accept such other interest in the Real Property as the District deems reasonably acceptable. Such

special warranty deed or other instrument shall be subject to a reservation by Developer of its right and privilege to use the area conveyed to construct any Improvements and any future improvements to such area for any related purposes (including, but not limited to, construction traffic relating to the construction of the development) not inconsistent with the District's use, occupation or enjoyment thereof. The Developer shall pay the cost for recording fees and documentary stamps required, if any, for the conveyance of any interest in Real Property to the District. The Developer shall be responsible for the prorated amount of all taxes and assessments levied on the Real Property until such time as the Developer conveys said lands to the District and in compliance with Section 196.295, *Florida Statutes*. At the time of conveyance, the District may require, at Developer's expense, an owner's title insurance policy in a form satisfactory to the District (or title search, if the District determines, in its sole discretion, that a title policy is not necessary). In the event a title commitment reveals exceptions to title which render title unmarketable or which, in the District's reasonable discretion, would materially interfere with the District's use of such lands for the intended purpose, the District shall not be required to accept such conveyance of Real Property and/or any related Improvements or Work Product.

B. *Boundary or Other Adjustments.* Developer and the District agree that reasonable future boundary adjustments may be made as deemed necessary and approved by both Parties in order to accurately describe the Real Property conveyed to the District and lands which remain in Developer's ownership; provided, however, that such future boundary adjustments shall not affect the number of lots to be developed or the ability of the Developer to have the lots developed within the District per applicable zoning and plans approvals. The Parties agree that any land transfers made to accommodate such adjustments shall be accomplished by donation. However, the party requesting such adjustment shall pay any transaction costs resulting from the adjustment, including but not limited to taxes, title insurance, recording fees or other costs.

SECTION 6. TAXES, ASSESSMENTS, AND COSTS.

A. *Taxes and Assessments on Property Being Acquired.* The District is an exempt governmental unit acquiring property pursuant to this Agreement for use exclusively for public purposes. Accordingly, in accordance with Florida law, the Developer agrees to place in escrow with the Osceola County Tax Collector an amount equal to the current ad valorem taxes and non-ad valorem assessments prorated to the date of transfer of title, based upon the expected assessment and millage rates giving effect to the greatest discount available for early payment.

1. If and only to the extent the property acquired by the District is subject to ad valorem taxes or non-ad valorem assessments, the Developer agrees to reimburse the District for payment, or pay on its behalf, any and all ad valorem taxes and non-ad valorem assessments imposed during the calendar year in which each parcel of property is conveyed.

2. Nothing in this Agreement shall prevent the District or the Developer from asserting any rights to challenge any taxes or assessments imposed, if any, on any property conveyed or to be conveyed to the District.

B. Notice. The Parties agree to provide notice to the other Party within ten (10) calendar days of receipt of any notice of potential or actual taxes, assessments, or costs, as a result of any transaction pursuant to this Agreement, or notice of any other taxes assessments or costs imposed on the property acquired by the District as described in Subsection A above. The Developer covenants to make any payments due hereunder in a timely manner in accordance with Florida law. In the event that the Developer fails to make timely payment of any such taxes or costs, the Developer acknowledges the District's right to make such payment. If the District makes such payment, the Developer agrees to reimburse the District within thirty (30) calendar days of receiving notice of such payment, and to include in such reimbursement any fees, costs, penalties, or other expenses which accrued to the District as a result of making such a payment, including interest at a rate not greater than three percent per annum from the date of the payment made by the District.

C. Tax liability not created. Nothing herein is intended to create or shall create any new or additional tax liability on behalf of the Developer or the District. Furthermore, the Parties reserve all respective rights to challenge, pay under protest, contest or litigate the imposition of any tax, assessment, or cost in good faith they believe is unlawfully or inequitably imposed and agree to cooperate in good faith in the challenge of any such imposition.

SECTION 7. ACQUISITION IN ADVANCE OF RECEIPT OF PROCEEDS. The District and Developer hereby agree that an acquisition by the District may be completed prior to the District obtaining proceeds from the Series 2021 Bonds ("Prior Acquisitions"). The District agrees to pursue the issuance of the Series 2021 Bonds in good faith and, within thirty (30) days from the issuance of such Series 2021 Bonds, to make payment for any Prior Acquisitions completed pursuant to the terms of this Agreement; provided, however, that in the event Bond Counsel determines that any such Prior Acquisitions are not properly compensable for any reason, including, but not limited to, federal tax restrictions imposed on tax-exempt financing, the District shall not be obligated to make payment for such Prior Acquisitions. Interest shall not accrue on the amounts owed for any Prior Acquisitions. In the event the District does not or cannot issue the Series 2021 Bonds within three (3) years from the date of this Agreement (the "Bond Issuance Period"), and, thus does not make payment to the Developer for the Prior Acquisitions, the Parties agree that the District shall have no reimbursement obligation whatsoever and, there having been no consideration paid, the District agrees, to the extent permitted by law and upon request by the Developer, to convey back to the Developer any Prior Acquisitions that have not been subsequently conveyed or transferred by the District to another governmental entity or public utility. Such request by the Developer must be made within one hundred eighty (180) days of the end of the Bond Issuance Period. The Developer shall pay any third party transaction costs resulting from the conveyance back to the Developer of any Prior Acquisitions, including, but not limited to, taxes, title insurance, recording fees or other third party transfer costs. The Developer acknowledges that the District intends to convey some of the Improvements to the State of Florida, Osceola County and the Toho Water Authority and consents to the District's conveyance of such Improvements prior to payment for any Prior Acquisitions.

SECTION 8. DEFAULT. A default by either Party under this Agreement, which continues

for a period of thirty (30) days after written notice of such default, shall entitle the other Party to all remedies available at law or in equity, which may include, but not be limited to, the right of damages and/or specific performance, but excluding special, consequential or punitive damages.

SECTION 9. INDEMNIFICATION. For all actions or activities which occur prior to the respective Acquisition Date of the relevant Real Property, Improvement or Work Product hereunder, the Developer agrees to indemnify and hold harmless the District and its officers, staff, agents and employees from any and all liability, claims, actions, suits or demands by any person, corporation or other entity for injuries, death, property damage or claims of any nature arising out of, or in connection with, the use by the Developer, its officers, agents, employees, invitees or affiliates, of the Real Property, Improvement, or Work Product, including litigation or any appellate proceedings with respect thereto, irrespective of the date of the initiation or notice of the claim or suit, provided the statute of limitations has not run. In no event shall the Developer be required to indemnify the District, its officers, employees or agents: (i) for a default by the District under this Agreement, (ii) for any claim, damage or loss arising out of or in connection with any activity or occurrence on or after the applicable Acquisition Date of such Real Property, Improvement or Work Product or (iii) for any claim, damage or loss arising out of or in connection with the use of such Real Property, Improvement or Work Product by the District, its engineers, employees, contractors, or such persons' or entities' negligence or willful misconduct.

SECTION 10. ENFORCEMENT OF AGREEMENT. In the event that any Party is required to enforce this Agreement by court proceedings or otherwise, then the Parties agree that the prevailing party shall be entitled to recover from the other(s) all fees and costs incurred, including reasonable attorneys' fees, paralegal fees and expert witness fees, and costs for trial, alternative dispute resolution, or appellate proceedings.

SECTION 11. ENTIRE AGREEMENT. This instrument shall constitute the final and complete expression of the agreement between the District and the Developer relating to the subject matter of this Agreement.

SECTION 12. AMENDMENTS. This Agreement shall constitute the entire agreement between the Parties regarding the subject matter hereof and may be amended in writing only by the mutual agreement of all Parties, and with regards to any amendment having a material effect on the payment of debt service on the Series 2021 Bonds, with the prior written consent of the Trustee for the Series 2021 Bonds acting at the direction of the holders owning a majority of the aggregate principal amount of the Series 2021 Bonds then outstanding.

SECTION 13. AUTHORIZATION. The execution of this Agreement has been duly authorized by the appropriate body or official of the District and the Developer. The District and the Developer have complied with all the requirements of law. The District and the Developer have full power and authority to comply with the terms and provisions of this Agreement.

SECTION 14. NOTICES. All notices, requests, consents and other communications under this Agreement (the "Notices") shall be in writing and shall be delivered, mailed by First Class Mail, postage prepaid, or overnight delivery service, to the Parties, as follows:

- A. If to the District:** Town of Kindred Community
Development District II
c/o Rizzetta & Company, Inc.
8529 South Park Circle, Suite 330
Orlando, Florida 32819
Attn: District Manager
- With a copy to:** Hopping Green & Sams, P.A.
119 South Monroe Street, Suite 300
Post Office Box 6526
Tallahassee, Florida 32314
Attn: Sarah R. Sandy
- B. If to Landowner:** D.R. Horton, Inc.
6200 Lee Vista Boulevard, Suite 400
Orlando, Florida 32822
Attn: _____
- With a copy to:** Nelson Mullins Broad and Cassel LLP
390 N. Orange Ave, Suite 1400
Orlando, Florida 32801
Attention: Jo O. Thacker

Except as otherwise provided in this Agreement, any Notice shall be deemed received only upon actual delivery at the address set forth above. Notices delivered after 5:00 p.m. (at the place of delivery) or on a non-business day, shall be deemed received on the next business day. If any time for giving Notice contained in this Agreement would otherwise expire on a non-business day, the Notice period shall be extended to the next succeeding business day. Saturdays, Sundays, and legal holidays recognized by the United States government shall not be regarded as business days. Counsel for the District and counsel for the Developer may deliver Notice on behalf of the District and the Developer. Any Party or other person to whom Notices are to be sent or copied may notify the other Parties and addressees of any change in name or address to which Notices shall be sent by providing the same on five (5) days written notice to the Parties and addressees set forth in this Agreement.

SECTION 15. ARM’S LENGTH TRANSACTION. This Agreement has been negotiated fully between the District and the Developer as an arm’s length transaction. All Parties participated fully in the preparation of this Agreement and received the advice of counsel. In the case of a dispute concerning the interpretation of any provision of this Agreement, all Parties are deemed to have drafted, chosen, and selected the language, and the doubtful language will not be interpreted or construed against any Party hereto.

SECTION 16. THIRD PARTY BENEFICIARIES. This Agreement is solely for the benefit of the District and the Developer and no right or cause of action shall accrue upon or by reason, to or for the benefit of any third party not a formal party to this Agreement. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person or entity other

than the District and the Developer any right, remedy, or claim under or by reason of this Agreement or any of the provisions or conditions of this Agreement; and all of the provisions, representations, covenants, and conditions contained in this Agreement shall inure to the sole benefit of and shall be binding upon the District and the Developer and their respective representatives, successors, and assigns. Notwithstanding the foregoing, nothing in this paragraph shall be construed as impairing or modifying the rights of any holders of Series 2021 Bonds issued by the District for the purpose of acquiring any Work Product, Improvements and/or Real Property. Also, notwithstanding anything herein to the contrary, the Trustee for the Series 2021 Bonds, on behalf of the owners of the Series 2021 Bonds, shall be a direct third-party beneficiary of the terms and conditions of this Agreement and shall, acting at the direction of the bondholders owning more than 50% of an aggregate principal amount of the applicable Series 2021 Bonds then outstanding, be entitled to cause the District to enforce the Developer's obligations hereunder.

SECTION 17. ASSIGNMENT. This Agreement may be assigned, in whole or in part, by either Party only upon the written consent of the other, which consent shall not be unreasonably withheld, and the Trustee acting on behalf of the Bondholders owning a majority of the aggregate principal amount of the Series 2021 Bonds then outstanding. Such consent shall not be required in the event of a sale of the majority of 2021 Project then-owned by the Developer pursuant to which the unaffiliated purchaser agrees to assume any remaining obligations of the Developer under this Agreement. Upon the merger, amendment, or name change of the District, the Agreement will be assumed by operation of law by the District's successor in interest and no consent to such assumption shall be required.

SECTION 18. APPLICABLE LAW AND VENUE. This Agreement and the provisions contained herein shall be construed, interpreted and controlled according to the laws of the State of Florida. Each Party consents that the exclusive venue for any litigation arising out of or related to this Agreement shall be in a court of appropriate jurisdiction, in and for Osceola County, Florida.

SECTION 19. EFFECTIVE DATE. This Agreement shall be effective upon its execution by the District and the Developer.

SECTION 20. TERMINATION. This Agreement may be terminated by the District without penalty in the event that the District does not issue its proposed Series 2021 Bonds within the Bond Issuance Period. The agreement and obligations in Section 7 with regard to the conveyance back to the Developer of Prior Acquisitions shall survive the termination of this Agreement.

SECTION 21. PUBLIC RECORDS. The Developer understands and agrees that all documents of any kind provided to the District in connection with this Agreement may be public records and will be treated as such in accordance with Florida law.

SECTION 22. SEVERABILITY. The invalidity or unenforceability of any one or more provisions of this Agreement shall not affect the validity or enforceability of the remaining portions of this Agreement, or any part of this Agreement not held to be invalid or unenforceable.

SECTION 23. LIMITATIONS ON GOVERNMENTAL LIABILITY. Nothing in this Agreement shall be deemed as a waiver of immunity or limits of liability of the District beyond any statutory

limited waiver of immunity or limits of liability which may have been adopted by the Florida Legislature in Section 768.28, *Florida Statutes*, or other statute, and nothing in this Agreement shall inure to the benefit of any third party for the purpose of allowing any claim which would otherwise be barred under the Doctrine of Sovereign Immunity or by operation of law.

SECTION 24. HEADINGS FOR CONVENIENCE ONLY. The descriptive headings in this Agreement are for convenience only and shall not control nor affect the meaning or construction of any of the provisions of this Agreement.

SECTION 25. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be an original; however, all such counterparts together shall constitute but one and the same instrument. Signature and acknowledgment pages, if any, may be detached from the counterparts and attached to a single copy of this document to physically form one document.

IN WITNESS WHEREOF, the Parties execute this Agreement the day and year first written above.

ATTEST:

**TOWN OF KINDRED COMMUNITY
DEVELOPMENT DISTRICT II**

Secretary/Assistant Secretary

Chairperson, Board of Supervisors

D.R. HORTON, INC.
a Delaware corporation

Witness

By: _____
Donna Pope
Vice President and Division President

Exhibit A: *Engineer's Report*

**AGREEMENT BETWEEN THE TOWN OF KINDRED
COMMUNITY DEVELOPMENT DISTRICT II AND
D.R. HORTON, INC., REGARDING THE
COMPLETION OF CERTAIN IMPROVEMENTS**

THIS COMPLETION AGREEMENT (“Agreement”) is made and entered into as of this ___ day of _____, 2021, by and between:

TOWN OF KINDRED COMMUNITY DEVELOPMENT DISTRICT II, a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*, being situated in Osceola County, Florida, with a mailing address of c/o Rizzetta & Company, Inc., 8529 South Park Circle, Suite 330, Orlando, Florida 32819 (the “District”); and

D.R. HORTON, INC., a Delaware corporation, and the owner and developer of certain lands within the boundaries of the District, with a mailing address of 6200 Lee Vista Boulevard, Suite 400, Orlando, Florida 32822 (the “Developer”).

RECITALS

WHEREAS, the District was established by Ordinance No. 2020-16, adopted by the County Commission of Osceola County, Florida, effective January 15, 2020, for the purpose of planning, financing, constructing, operating and/or maintaining certain infrastructure, including roadway improvements, stormwater management, water distribution system, sanitary sewer system and other infrastructure within or outside the boundaries of the District; and

WHEREAS, the Developer is the owner and/or developer of certain lands in Osceola County, Florida, located within the boundaries of the District, as more particularly described in **Exhibit A** attached hereto (“2021 Assessment Area”); and

WHEREAS, the District has adopted a Capital Improvement Plan for the planning, design, acquisition, construction, and installation of various infrastructure improvements and facilities within the boundaries of the District (“Improvements”) as described in the *Engineer’s Report for the Town of Kindred Community Development District II Phase 2*, dated April 16, 2020 (“Master Engineer’s Report”), as supplemented by that *Supplemental Engineer’s Report for the Town of Kindred Community Development District II*, dated _____, 2021 (“Supplemental Engineer’s Report”, and together with Master Engineer’s Report, the “Engineer’s Report”), attached to this Agreement as **Exhibit B**, as such Engineer’s Report may be amended or supplemented from time to time; and

WHEREAS, the District has imposed special assessments on the lands within the District to secure financing for a portion of the construction and/or acquisition of the Improvements described in **Exhibit B**, and has validated up to \$50,000,000 in Special Assessment Revenue Bonds to fund the planning, design, permitting, construction and/or acquisition of improvements including the Improvements; and

WHEREAS, the District intends to finance a portion of the Capital Improvement Plan,

known as Phase 2C-2 and Phase 2D, which has an estimated cost of approximately \$_____ as set forth in the Engineer’s Report (“2021 Project”), of which it is estimated that \$_____ will be funded with the proceeds from the sale of \$_____ in aggregate principal amount of Town of Kindred Community Development District II Special Assessment Revenue Bonds, Series 2021 (the “Series 2021 Bonds”); and

WHEREAS, in order to ensure that the 2021 Project is completed and funding is available in a timely manner to provide for its completion, the Developer and the District hereby agree that the District will be obligated to issue no more than \$_____ in bonds to fund the 2021 Project and the Developer will make provision for any additional funds that may be needed in the future for the completion of the 2021 Project over and above that amount including, but not limited to, all administrative, legal, warranty, engineering, permitting or other related soft costs.

NOW, THEREFORE, based upon good and valuable consideration and the mutual covenants of the parties, the receipt of which and sufficiency of which are hereby acknowledged, the District and the Developer agree as follows:

1. INCORPORATION OF RECITALS. The recitals stated above are true and correct and by this reference are incorporated herein and form a material part of this Agreement.

2. COMPLETION OF IMPROVEMENTS. The Developer and District agree and acknowledge that the District’s proposed Series 2021 Bonds may provide only a portion of the funds necessary to complete the 2021 Project. In the event that the cost of the 2021 Project is such that the construction funds available from the Series 2021 Bonds proceeds are insufficient to complete the 2021 Project, as described in **Exhibit B** as amended, the Developer hereby agrees to complete, cause to be completed, or provide funds to the District in an amount sufficient to allow the District to complete or cause to be completed, those portions of the 2021 Project which remain unfunded including, but not limited to, all administrative, legal, warranty, engineering, permitting or other related soft costs (the “Remaining Project Improvements”) whether pursuant to existing contracts, including change orders thereto, contracts assigned by the Developer to the District, or future contracts. Nothing herein shall cause or be construed to require the District to issue additional bonds or indebtedness to provide funds for any portion of the Remaining Project Improvements. The District and Developer hereby acknowledge and agree that the District’s execution of this Agreement constitutes the manner and means by which the District has elected to provide any and all portions of the Remaining Project Improvements not funded by District bonds or other indebtedness.

(a) When all or any portion of the Remaining Project Improvements is the subject of an existing District contract, the Developer shall provide funds directly to the District in an amount sufficient to complete the Remaining Project Improvements pursuant to such contract, including change orders thereto.

(b) When any portion of the Remaining Project Improvements is not the subject of an existing District contract, the Developer may choose to complete, cause to be completed, or provide funds to the District in an amount sufficient to allow the District to

complete or cause to be completed, those Remaining Project Improvements, subject to a formal determination by the District's Board of Supervisors that the option selected by the Developer will not adversely impact the District, and is in the District's best interests.

3. OTHER CONDITIONS, ACKNOWLEDGMENTS AND AGREEMENTS

(a) The District and the Developer agree and acknowledge that the exact location, size, configuration and composition of the 2021 Project may change from that described in the Engineer's Report, depending upon final design of the development, permitting or other regulatory requirements over time, or other factors. Material changes to the 2021 Project resulting from (i) changes to the final design of the development initiated or caused by the Developer or (ii) permitting or regulatory requirements shall be reflected by written amendment to the Engineer's Report, which shall include an estimate of the cost of the changes. Any other material changes to the 2021 Project from the description in the original Engineer's Report which the District desires to be completed or funded by the Developer pursuant to this Agreement shall be subject to the prior written consent of the Developer, which may be withheld in its sole and absolute discretion.

(b) The District and Developer agree and acknowledge that for any and all portions of the Remaining Project Improvements which are constructed, or caused to be constructed, acquired or otherwise completed by the Developer for the benefit of the District shall be conveyed to the District or such other appropriate unit of local government as is designated in the Engineer's Report or required by governmental regulation or development approval. All conveyances to another governmental entity shall be in accordance with and in the same manner as provided in any agreement between the District and the appropriate unit of local government. All conveyances to the District shall be in accordance with an agreement or agreements governing conveyances between the Developer and the District, including acquisitions.

(c) Notwithstanding anything to the contrary contained in this Agreement, the payment or performance by Developer of its completion obligations hereunder is expressly subject to, dependent and conditioned upon (a) the issuance of \$ _____ par amount of bonds and use of at least \$ _____ of the proceeds thereof to fund the 2021 Project, and (b) the scope, configuration, size and/or composition of the 2021 Project not materially changing without the consent of the Developer, which may be withheld in its sole and absolute discretion; provided, however, that such consent of the Developer is not necessary and the Developer must meet its completion obligations when the scope, configuration, size and/or composition of the 2021 Project are materially changed as a result of one or more of the circumstances listed in Section 3(a)(i) or (ii).

4. DEFAULT AND PROTECTION AGAINST THIRD PARTY INTERFERENCE. A default by either party under this Agreement shall entitle the other to all remedies available at law or in equity, which may include, but not be limited to, the right of specific performance and/or damages (except special, consequential or punitive damages). The District shall be solely responsible for enforcing its rights under this Agreement against any interfering third party.

Nothing contained in this Agreement shall limit or impair the District’s right to protect its rights from interference by a third party to this Agreement.

If the Developer fails to keep, observe or perform any of the agreements, terms, covenants or representations, or otherwise is in default of this Agreement, the District shall give written notice to Developer (at the address listed in Section 7 of this Agreement, with copies to appropriate counsel), and the Developer shall have sixty (60) days to cure such default (which time may be extended by the District in its sole discretion), unless a shorter time to cure is mandated by applicable law or regulation.

5. AMENDMENTS. Amendments to and waivers of the provisions contained in this Agreement may be made only by an instrument in writing which is executed by both the District and the Developer.

6. AUTHORIZATION. The execution of this Agreement has been duly authorized by the appropriate body or official of the District and the Developer, both the District and the Developer have complied with all the requirements of law, and both the District and the Developer have full power and authority to comply with the terms and provisions of this instrument.

7. NOTICES. All notices, requests, consents and other communications under this Agreement (“Notices”) shall be in writing and shall be delivered, mailed by First Class Mail, postage prepaid, or overnight delivery service, to the parties, as follows:

- (a) If to Developer:** D.R. Horton, Inc.
6200 Lee Vista Blvd., Suite 400
Orlando, Florida 32822
Attn: Donna Pope

With a copy to: Nelson Mullins Riley and Scarborough LLP
390 N. Orange Ave, Suite 1400
Orlando, Florida 32801
Attention: Jo O. Thacker

With a copy to: D.R. Horton, Inc.
301 Commerce Street
500 D.R. Horton Tower
Fort Worth, TX 76102
Attn: Chief Legal Officer
- (b) If to District:** Town of Kindred Community
Development District II
c/o Rizzetta & Company, Inc.
8529 South Park Circle, Suite 330
Orlando, Florida 32819
Attn: District Manager

With a copy to: Hopping Green & Sams, P.A.
119 South Monroe Street, Suite 300
Tallahassee, Florida 32301
Attn: Sarah R. Sandy

Except as otherwise provided in this Agreement, any Notice shall be deemed received only upon actual delivery at the address set forth above. Notices delivered after 5:00 p.m. (at the place of delivery) or on a non-business day, shall be deemed received on the next business day. If any time for giving Notice contained in this Agreement would otherwise expire on a non-business day, the Notice period shall be extended to the next succeeding business day. Saturdays, Sundays, and legal holidays recognized by the United States government shall not be regarded as business days. Counsel for the District and counsel for the Developer may deliver Notice on behalf of the District and the Developer. Any party or other person to whom Notices are to be sent or copied may notify the other parties and addressees of any change in name or address to which Notices shall be sent by providing the same on five (5) days written notice to the parties and addressees set forth herein.

8. ARM’S LENGTH TRANSACTION. This Agreement has been negotiated fully between the District and the Developer as an arm’s length transaction. Both parties participated fully in the preparation of this Agreement and received the advice of counsel. In the case of a dispute concerning the interpretation of any provision of this Agreement, both parties are deemed to have drafted, chosen, and selected the language, and the doubtful language will not be interpreted or construed against either the District or the Developer.

9. THIRD PARTY BENEFICIARIES. This Agreement is solely for the benefit of the District and the Developer and no right or cause of action shall accrue upon or by reason, to or for the benefit of any third party not a formal party to this Agreement. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person or corporation other than the District and the Developer any right, remedy, or claim under or by reason of this Agreement or any of the provisions or conditions of this Agreement; and all of the provisions, representations, covenants, and conditions contained in this Agreement shall inure to the sole benefit of and shall be binding upon the District and the Developer and their respective representatives, successors, and assigns.

10. ASSIGNMENT. Neither the District nor the Developer may assign this Agreement or any monies to become due hereunder without the prior written approval of the other.

11. CONTROLLING LAW. This Agreement and the provisions contained in this Agreement shall be construed, interpreted, and controlled according to the laws of the State of Florida.

12. EFFECTIVENESS. This Agreement shall become effective on the date of issuance of the Series 2021 Bonds.

13. PUBLIC RECORDS. The Developer understands and agrees that all documents of

any kind provided to the District in connection with this Agreement may be public records and may be treated as such in accordance with Florida law.

14. SEVERABILITY. The invalidity or unenforceability of any one or more provisions of this Agreement shall not affect the validity or enforceability of the remaining portions of this Agreement, or any part of this Agreement not held to be invalid or unenforceable.

15. SOVEREIGN IMMUNITY. Developer agrees that nothing in this Agreement shall constitute or be construed as a waiver of the District's limitations on liability beyond that contained in Section 768.28, *Florida Statutes*, as amended, or other statutes or law.

16. HEADINGS FOR CONVENIENCE ONLY. The descriptive headings in this Agreement are for convenience only and shall not control nor affect the meaning or construction of any of the provisions of this Agreement.

17. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be an original; however, all such counterparts together shall constitute, but one and the same instrument. Signature and acknowledgment pages, if any, may be detached from the counterparts and attached to a single copy of this document to physically form one document.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties execute this agreement the day and year first written above.

Attest:

**TOWN OF KINDRED COMMUNITY
DEVELOPMENT DISTRICT II**

Secretary

John Valantasis
Chairperson, Board of Supervisors

D.R. HORTON, INC., a Delaware corporation

Witness

Donna Pope
Vice President and Division President

Exhibit A: Legal Description 2021 Assessment Area

Exhibit B: *Engineer's Report for the Town of Kindred Community Development District II, dated April 16, 2020, as supplemented by that Supplemental Engineer's Report for the Town of Kindred Community Development District II, dated _____, 2021*

Exhibit A: Description of 2021 Assessment Area

Exhibit B: Engineer's Report

This Instrument Prepared By and
Once Recorded Please Return To:
Sarah R. Sandy, Esq.
Hopping Green & Sams, P.A.
119 South Monroe Street, Suite 300
Tallahassee, Florida 32301

[space above for recording purposes]

**AGREEMENT BETWEEN THE TOWN OF KINDRED COMMUNITY
DEVELOPMENT DISTRICT II AND D.R. HORTON, INC., REGARDING
TRUE-UP AS TO 2021 SPECIAL ASSESSMENTS**

THIS AGREEMENT is made and entered into this ___ day of _____, 2021, by and between:

TOWN OF KINDRED COMMUNITY DEVELOPMENT DISTRICT II, a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*, being situated in Osceola County, Florida, with a mailing address of c/o Rizzetta & Company, Inc., 8529 South Park Circle, Suite 330, Orlando, Florida 32819 (the “District”); and

D.R. HORTON, INC., a Delaware corporation, the owner of certain lands within the boundaries of the District and developer within the District, whose mailing address is 6200 Lee Vista Blvd., Suite 400, Orlando, Florida 32822, and its successors and assigns (the “Landowner”; and together with the District, the “Parties”).

RECITALS

WHEREAS, the District was established by Ordinance No. 2020-16, adopted by the County Commission of Osceola County, Florida, effective January 15, 2020, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, *Florida Statutes*, as amended (the “Act”) and is validly existing under the Constitution and laws of the State of Florida; and

WHEREAS, the District, pursuant to Chapter 190, *Florida Statutes*, is authorized to levy such taxes, special assessments, fees and other charges as may be necessary in furtherance of the District’s activities and services; and

WHEREAS, Landowner is the owner of certain lands within the boundaries of the District, which lands consist of approximately ___ gross acres representing Phase 2C-2 and Phase 2D of the development planned for a total of [457] lots consisting of [395] detached single-family units and [62] townhome units (the “2021 Assessment Area”), which lands are described in **Exhibit A**; and

WHEREAS, the District has adopted an improvement plan to finance the planning, design, acquisition, construction, and installation of certain infrastructure improvements, facilities, and

services as detailed in the *Engineer's Report for the Town of Kindred Community Development District II Phase 2*, dated April 16, 2020, as supplemented by that *Supplemental Engineer's Report for the Town of Kindred Community Development District II*, dated _____, 2021 (together, the "Engineer's Report"), including those improvements, facilities and services related to the development of the 2021 Assessment Area (the "2021 Project") and the anticipated costs of the 2021 Project; and

WHEREAS, the District intends to finance a portion of the 2021 Project through the anticipated issuance of its Town of Kindred Community Development District II Special Assessment Revenue Bonds, Series 2021, in the principal amount of \$ _____ (the "Series 2021 Bonds"); and

WHEREAS, pursuant to Resolutions 2020-29, 2020-30, 2020-34, 2020-36 and 2021-__ (the "Assessment Resolutions"), the District imposed special assessments (the "2021 Special Assessments") on the 2021 Assessment Area to secure the repayment of the Series 2021 Bonds; and

WHEREAS, Landowner agrees that all assessable lands within the 2021 Assessment Area benefit from the timely design, construction, or acquisition of the 2021 Project; and

WHEREAS, Landowner agrees that the 2021 Special Assessments, which were imposed on the 2021 Assessment Area, have been validly imposed and constitute valid, legal and binding liens upon such lands within the 2021 Assessment Area, which 2021 Special Assessments remain unsatisfied; and

WHEREAS, to the extent permitted by law, Landowner waives any defect in any prior notice or publication or in any prior proceedings to levy, impose and collect the 2021 Special Assessments on lands within the District; and

WHEREAS, the *Master Special Assessment Allocation Report* dated February 14, 2020 (the "Master Report"), as supplemented by the [*Final*] *Supplemental Assessment Allocation Report, Special Assessment Revenue Bonds, Series 2021*, dated _____, 2021 (the "Supplemental Report" and, together with the Master Report, the "Assessment Report"), attached hereto as **Composite Exhibit B**, provides that as the 2021 Assessment Area is platted, the allocation of the amounts assessed to and constituting a lien upon the 2021 Assessment Area would be calculated based upon certain density assumptions relating to the number of each type of single-family units to be constructed in the 2021 Assessment Area, which assumptions were provided by Landowner; and

WHEREAS, Landowner intends that the 2021 Assessment Area will be platted, planned and developed based on then-existing market conditions, and the actual densities developed may be at some density less than the densities assumed in the District's Assessment Report; and

WHEREAS, the District's Assessment Report anticipates a mechanism by which Landowner shall, if required, make certain payments to the District in order to satisfy, in whole or in part, the 2021 Special Assessments allocated and the liens imposed on lands within the 2021 Assessment Area pursuant to the Assessment Resolutions, the amount of such payments being determined generally by a calculation of the remaining unallocated debt prior to the recording of the final plat

or site plan for a parcel or tract, as described in the District’s Assessment Report (which payments shall collectively be referenced as the “True-Up Payment”); and

WHEREAS, the Parties desire to enter into an agreement to confirm Landowner’s intention and obligation, if required, to make the True-Up Payment related to the 2021 Special Assessments imposed on lands in the 2021 Assessment Area subject to the terms and conditions contained herein.

NOW, THEREFORE, based upon good and valuable consideration and the mutual covenants of the parties, the receipt of which and sufficiency of which are hereby acknowledged, the Parties agree as follows:

SECTION 1. RECITALS. The recitals so stated are true and correct and by this reference are incorporated into and form a material part of this Agreement.

SECTION 2. VALIDITY OF ASSESSMENTS. Landowner agrees that the Assessment Resolutions have been duly adopted by the District. Landowner further agrees that the 2021 Special Assessments imposed as a lien by the District are legal, valid and binding liens on the lands within the 2021 Assessment Area against which assessed until paid, coequal with the lien of all state, county, district, and municipal taxes, and superior in dignity to all other liens, titles, and claims. Landowner hereby waives and relinquishes any rights it may have to challenge, object to or otherwise fail to pay such 2021 Special Assessments.

SECTION 3. COVENANT. Landowner further acknowledges that to the extent Landowner fails to timely pay on an annual basis the 2021 Special Assessments invoiced by mailed notice of the District, said unpaid 2021 Special Assessments (including True-Up Payments) may be placed on the tax roll by the District for collection by the Tax Collector pursuant to Section 197.3632, *Florida Statutes*, in any subsequent year.

SECTION 4. SPECIAL ASSESSMENT ALLOCATION.

A. Assumptions as to the 2021 Special Assessments. As of the date of the execution of this Agreement, Landowner has informed the District that it plans to provide for the construction in Phase 2C-2 and 2D of the development of [457] lots consisting of [395] single-family (“SF”) units, each with an assigned equivalent assessment unit (“EAU”) value of [1] per SF unit, and [62] townhome (“TH”) residential units, each with an assigned EAU value of [0.4] per TH unit, in the 2021 Assessment Area, all of which lots have been platted.

B. Process for Allocation of Assessments. The 2021 Special Assessments will initially be levied on the platted lots within the 2021 Assessment Area based on the equivalent EAUs. The remaining balance of the 2021 Special Assessments will be allocated over the unplatted acreage within the 2021 Assessment Area on an equal acreage basis, and are to be reallocated on a first platted, first assigned basis. It is anticipated that once the remaining acreage within the 2021 Assessment Area is platted (hereinafter referred to as “plat” or “platted”), the 2021 Special Assessments levied on the unplatted acreage within the 2021 Assessment Area will be reallocated to platted lots in accordance with the product type within the area being platted. In furtherance

thereof, at such time as the remaining unplatted acreage in the 2021 Assessment Area is to be platted, Landowner covenants that such plat shall be presented to the District. The District shall allocate the 2021 Special Assessments to the residential product type being platted based on the number of EAUs assigned in accordance with the Assessment Report and cause such reallocation to be recorded in the District's Improvement Lien Book.

(i) It is an express condition of the liens established by the Assessment Resolutions that any and all plats containing any portion of the 2021 Assessment Area subject to the 2021 Special Assessments, shall be presented to the District for review and allocation of the 2021 Special Assessments to the EAUs being platted and the remaining acreage within the 2021 Assessment Area in accordance with the Assessment Report ("Reallocation"). Landowner covenants to comply with this requirement for the Reallocation. The District agrees that no further action by the Board of Supervisors shall be required. The District's review of the plats shall be limited solely to the Reallocation of 2021 Special Assessments and enforcement of the District's assessment liens. Nothing herein shall in any way operate to or be construed as providing any other plat and plan approval or disapproval powers to the District.

(ii) The purpose of the True-Up calculation is to ensure that the debt per acre remaining on the un-platted lands within the 2021 Assessment Area is never allowed to increase above the ceiling debt per net developable acre level as set forth in the Assessment Report. The ceiling level of debt per acre is calculated as the total amount of debt for the Series 2021 Bonds assigned to the 2021 Assessment Area divided by the number of gross acres within the 2021 Assessment Area. Thus, every time the True-Up calculation is applied, the debt on lands within the 2021 Assessment Area remaining unplatted must remain equal to or lower than the amount indicated in the Assessment Report per gross acre for the 2021 Assessment Area. If not, the District would require a True-Up Payment from the Landowner or the person or entity seeking to file such plat in an amount sufficient to reduce the remaining debt per gross acre to the ceiling amount based on the schedule set forth in Exhibit A to the Assessment Report.

(iii) The True-Up calculation shall be performed anytime any land within the 2021 Assessment Area is platted.

(iv) If at the time the True-Up calculation is performed, it is determined that the level of ceiling debt is breached, a True-Up Payment shall become due and payable by the Landowner or the person or entity seeking to file such plat. Any such True-Up Payment determined to be due by the Landowner shall be paid in full prior to platting any remaining unsubdivided land within the 2021 Assessment Area. Such True-Up Payment shall be in addition to the regular 2021 Special Assessments installment payable for the lands owned by the Landowner within the 2021 Assessment Area. The District will take all necessary steps to ensure that True-Up Payments are made in a timely fashion, and in all cases, Landowner agrees that such payments shall be made in order to ensure the District's timely deposit into the Series 2021 Prepayment Subaccount for the extraordinary mandatory redemption, in part, of Series 2021 Bonds in accordance with the District's Second Supplemental Trust Indenture. The District shall record all True-Up Payments in its

Improvement Lien book. The District may defer the collection of the True-Up Payment if the Landowner can demonstrate to the District and the Bondholders that there is sufficient development potential in the remaining acreage within the 2021 Assessment Area to build the densities required to support payments to satisfy the respective 2021 Special Assessments annual installment for the Series 2021 Bonds. If such True-Up Payment is made at least 45 days prior to the next redemption date on the Series 2021 Bonds, the Landowner shall include accrued interest as part of the True-Up Payment to such redemption date. If such True-Up Payment becomes due within 45 days of the next redemption date, accrued interest shall be calculated to the next succeeding redemption date.

(v) The foregoing is based on the District's understanding with Landowner that Landowner will plat [457] lots consisting of [395] detached SF units and [62] TH units in the 2021 Assessment Area, all of which lots have been platted, within the 2021 Assessment Area as identified in the Assessment Report, which will equate to a total of [] EAUs, consisting of [395] EAUs for the SF units and [] EAUs for TH units on the property Landowner owns within the 2021 Assessment Area, as set forth in the Assessment Report. However, the District agrees that nothing herein prohibits more or less than the currently planned EAUs from being platted. In no event shall the District collect 2021 Special Assessments pursuant to the Assessment Resolutions in excess of the total debt service related to the 2021 Project, including all costs of financing and interest. The District, however, may collect 2021 Special Assessments in excess of the annual debt service related to the 2021 Project, including all costs of financing and interest, which shall be applied to prepay the Series 2021 Bonds. If the strict application of the True-Up methodology to any Reallocation for any plat pursuant to this paragraph would result in 2021 Special Assessments collected in excess of the District's total debt service obligation for the 2021 Project, the District agrees to take appropriate action by resolution to equitably Reallocate the assessments.

SECTION 5. ENFORCEMENT. This Agreement is intended to be an additional method of enforcement of Landowner's obligation to pay the 2021 Special Assessments and to abide by the requirements of the Reallocation of 2021 Special Assessments, including the making of the True-Up Payment, if any, as set forth in the Assessment Resolutions. A default by any Party under this Agreement shall entitle any other Party to all remedies available at law or in equity, but excluding special, consequential or punitive damages.

SECTION 6. RECOVERY OF COSTS AND FEES. In the event any party is required to enforce this Agreement by court proceedings or otherwise, then the prevailing party, as determined by the applicable court or other dispute resolution provider, shall be entitled to recover from the non-prevailing party all fees and costs incurred, including reasonable attorneys' fees and costs incurred prior to or during any litigation or other dispute resolution and including all fees and costs incurred in appellate proceedings.

SECTION 7. NOTICE. All notices, requests, consents and other communications hereunder ("Notices") shall be in writing and shall be delivered, mailed by First Class Mail,

postage prepaid, by overnight delivery service, or telecopied or hand delivered to the parties, as follows:

If to the District:	Town of Kindred Community Development District II c/o Rizzetta & Company, Inc. 8529 South Park Circle, Suite 330 Orlando, Florida 32819 Attn: District Manager
With a copy to:	Hopping Green & Sams, P.A. 119 South Monroe Street, Suite 300 Post Office Box 6526 Tallahassee, Florida 32314 Attn: Sarah R. Sandy
If to Developer:	D.R. Horton, Inc. 6200 Lee Vista Blvd., Suite 400 Orlando, Florida 32833 Attn: Donna Pope
With a copy to:	Nelson Mullins Riley and Scarborough LLP 390 N. Orange Ave, Suite 1400 Orlando, Florida 32801 Attention: Jo O. Thacker
With a copy to:	D.R. Horton, Inc. 301 Commerce Street 500 D.R. Horton Tower Fort Worth, Texas 76102 Attn: Chief Legal Officer

Except as otherwise provided herein, any Notice shall be deemed received only upon actual delivery at the address or telecopy number set forth herein. If mailed as provided above, Notices shall be deemed delivered on the third business day unless actually received earlier. Notices hand delivered after 5:00 p.m. (at the place of delivery) or on a non-business day, shall be deemed received on the next business day. If any time for giving Notice contained in this Agreement would otherwise expire on a non-business day, the Notice period shall be extended to the next succeeding business day. Saturdays, Sundays and legal holidays recognized by the United States government shall not be regarded as business days. Counsel for the Parties may deliver Notice on behalf of the Parties. Any Party or other person to whom Notices are to be sent or copied may notify the other Parties and addressees of any change in name, address or telecopy number to which Notices shall be sent by providing the same on five (5) days written notice to the Parties and addressees set forth herein.

Notwithstanding the foregoing, to the extent Florida law requires notice to enforce the collection of any assessments placed on the 2021 Assessment Area by the District, then the provision of such notice shall be in lieu of any additional notice required by this Agreement.

SECTION 8. ASSIGNMENT.

A. Landowner may not assign its duties or obligations under this Agreement except in accordance with the terms of this Section 8(C) below. This Agreement shall constitute a covenant running with lands within the 2021 Assessment Area, binding upon Landowner and its successors and assigns as to the 2021 Assessment Area or portions thereof, and any transferee of any portion of the 2021 Assessment Area, but shall not be binding upon transferees permitted by Sections 8(B)(i), (ii) or (iii) below.

B. Landowner shall not transfer any portion of the 2021 Assessment Area to any third party without complying with the terms of Section 8(C) below, other than:

(i) Platted and fully-developed lots to homebuilders restricted from re-platting;

(ii) Platted and fully-developed lots to end users; and

(iii) Portions of the 2021 Assessment Area to be conveyed to Osceola County, the District, other government agency, a public utility, or the applicable homeowners' association.

Any transfer of any portion of the 2021 Assessment Area pursuant to subsections (i), (ii) or (iii) of this Section 8(B) shall constitute an automatic release of such portion of the 2021 Assessment Area from the scope and effect of this Agreement.

C. Landowner shall not transfer any portion of the 2021 Assessment Area to any third party, except as permitted by Section 8(B) above, without satisfying the following conditions ("Transfer Conditions"): (i) causing such third party to assume in writing Landowner's obligations under this Agreement with respect to such portion of the 2021 Assessment Area intended to be conveyed and (ii) delivering such written assignment and assumption instrument to the District. Any transfer that is consummated pursuant to this Section 8(C) shall operate as a release of Landowner from its obligations under this Agreement as to such portion of the 2021 Assessment Area only arising from and after the date of such transfer and satisfaction of all of the Transfer Conditions, and the transferee assuming Landowner's obligations in accordance herewith shall be deemed the "Landowner" from and after such transfer for all purposes as to such portion of the 2021 Assessment Area so transferred.

SECTION 9. AMENDMENT. This Agreement shall constitute the entire agreement between the Parties as to the matters set forth herein and may be modified in writing only by the mutual agreement of all Parties. This Agreement may not be amended without the prior written consent of the Parties.

SECTION 10. TERMINATION. This Agreement shall continue in effect until it is rescinded in writing by the mutual assent of each Party.

SECTION 11. NEGOTIATION AT ARM'S LENGTH. This Agreement has been negotiated fully between the Parties as an arm's length transaction. The Parties participated fully in the preparation of this Agreement and received the advice of counsel. In the case of a dispute concerning the interpretation of any provision of this Agreement, the Parties are deemed to have drafted, chosen and selected the language, and the doubtful language will not be interpreted or construed against either party.

SECTION 12. THIRD PARTY BENEFICIARIES. This Agreement is solely for the benefit of the District and the Landowner and no right or cause of action shall accrue upon or by reason, to or for the benefit of any third party not a formal party to this Agreement. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person or entity other than the District and the Landowner any right, remedy or claim under or by reason of this Agreement or any provisions or conditions of this Agreement; and all of the provisions, representations, covenants and conditions contained in this Agreement shall inure to the sole benefit of and shall be binding upon the District and the Landowner and their respective representatives, successors and assigns. Notwithstanding anything herein to the contrary, the Trustee for the Series 2021 Bonds, on behalf of the owners of the Series 2021 Bonds, shall be a direct third-party beneficiary of the terms and conditions of this Agreement. The Trustee shall not be deemed to have assumed any obligations hereunder.

SECTION 13. LIMITATIONS ON GOVERNMENTAL LIABILITY. Nothing in this Agreement shall be deemed as a waiver of immunity or limits of liability of the District beyond any statutory limited waiver of immunity or limits of liability which may have been adopted by the Florida Legislature in Section 768.28, *Florida Statutes*, or other statute, and nothing in this Agreement shall inure to the benefit of any third party for the purpose of allowing any claim which would otherwise be barred under the Doctrine of Sovereign Immunity or by operation of law.

SECTION 14. APPLICABLE LAW. This Agreement shall be governed by the laws of the State of Florida.

SECTION 15. PUBLIC RECORDS. The Landowner understands and agrees that all documents of any kind provided to the District in connection with this Agreement may be public records and may require treatment as such in accordance with Florida law.

SECTION 16. EXECUTION IN COUNTERPARTS. This instrument may be executed in any number of counterparts, each of which, when executed and delivered, shall constitute an original, and such counterparts together shall constitute one and the same instrument. Signature and acknowledgment pages, if any, may be detached from the counterparts and attached to a single copy of this document to physically form one document.

SECTION 17. EFFECTIVE DATE. This Agreement shall become effective after execution by the Parties hereto on the date reflected above.

[Signature pages follow]

IN WITNESS WHEREOF, the Parties execute this Agreement the day and year first written above.

WITNESSES:

**TOWN OF KINDRED COMMUNITY
DEVELOPMENT DISTRICT II**

[Print Name]

John Valantasis
Chairperson, Board of Supervisors

[Print Name]

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me by means of physical presence or online notarization this ___ day of _____, 2021, by John Valantasis as Chairperson of the Board of Supervisors of the Town of Kindred Community Development District II.

(Official Notary Signature & Seal)
Name: _____
Personally Known _____
OR Produced Identification _____
Type of Identification _____

WITNESSES:

D.R. HORTON, INC.,
a Delaware corporation

[Print Name]

By: _____
Donna Pope
Vice President and Division President

[Print Name]

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me by means of physical presence or online notarization this ___ day of _____, 2021, by Donna Pope, as Vice President and Division President of D.R. Horton, Inc., on behalf of the company.

(Official Notary Signature & Seal)
Name: _____
Personally Known _____
OR Produced Identification _____
Type of Identification _____

Exhibit A: Legal Description of the 2021 Assessment Area
Composite Exhibit B: Assessment Report

Exhibit A: Legal Description of the 2021 Assessment Area

Composite Exhibit B: Assessment Report

This instrument was prepared by and upon recording should be returned to:

(This space reserved for Clerk)

Sarah R. Sandy, Esq.
Hopping Green & Sams, P.A.
119 South Monroe Street, Suite 300
Tallahassee, Florida 32301

**COLLATERAL ASSIGNMENT AND ASSUMPTION OF DEVELOPMENT RIGHTS
RELATING TO THE CAPITAL IMPROVEMENT PLAN**

This **COLLATERAL ASSIGNMENT AND ASSUMPTION OF DEVELOPMENT RIGHTS RELATING TO THE CAPITAL IMPROVEMENT PLAN** (herein, the “Assignment”), is made this ___ day of _____, 2021, by **D.R. HORTON, INC.**, a Delaware corporation (together with certain successors and assigns as specified herein, the “Landowner”), in favor of the **TOWN OF KINDRED COMMUNITY DEVELOPMENT DISTRICT II**, a local unit of special-purpose government organized and created under the laws of the State of Florida, located in the Osceola County, Florida (together with its successors and assigns, the “District”).

RECITALS

WHEREAS, the District was established by Ordinance No. 2020-16 of the County Commission of Osceola County, Florida, effective January 15, 2020, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, *Florida Statutes*, as amended (“Act”), and for the purposes, among others, of planning, financing, constructing, operating and/or maintaining certain public infrastructure improvements within and outside the boundaries of the District; and

WHEREAS, Landowner is the owner of certain lands within the boundaries of the District, which lands consist of approximately ___ gross acres representing Phase 2C-2 and 2D of the development (the “2021 Assessment Area”), which lands are described in **Exhibit A** hereto; and

WHEREAS, the District proposes to issue its Town of Kindred Community Development District II Special Assessment Revenue Bonds, Series 2021 (the “Series 2021 Bonds”), to finance the construction and/or acquisition of certain public improvements which will specially benefit all of the land within the 2021 Assessment Area; and

WHEREAS, among the security for the repayment of the Series 2021 Bonds, as defined herein, are the special assessments (“2021 Special Assessments”) levied against the land within the 2021 Assessment Area; and

WHEREAS, the District has adopted an improvement plan (“Capital Improvement Plan,” or “CIP”) for the planning, design, acquisition, construction, and installation of certain

infrastructure improvements, facilities and services within and without the boundaries of the District, which CIP is detailed in the *Engineer's Report for the Town of Kindred Community Development District II Phase 2*, dated April 16, 2020 ("Master Engineer's Report"), as supplemented by that *Supplemental Engineer's Report for the Town of Kindred Community Development District II*, dated _____, 2021 (the "Supplemental Engineer's Report", and together with the Master Engineer's Report, the "Engineer's Report");

WHEREAS, approximately ____ gross acres constituting the 2021 Assessment Area will be platted and developed into [457] lots consisting of [395] SF units and [62] TH units as described in the *Master Special Assessment Allocation Report* dated February 14, 2020 (the "Master Report"), as supplemented by the [Final] *Supplemental Assessment Allocation Report, Special Assessment Revenue Bonds, Series 2021*, dated _____, 2021 (the "Supplemental Assessment Report," together with the Master Assessment Report, the "Assessment Report");

WHEREAS, the portion of the Capital Improvement Plan that will be financed, in part, with proceeds of the Series 2021 Bonds (the "2021 Project") has an estimated cost of approximately \$_____ as set forth in the Engineer's Report, of which it is estimated that \$_____ will be funded with the proceeds from the Series 2021 Bonds; and

WHEREAS, in the event of default in the payment of the 2021 Special Assessments or an Event of Default hereunder, the District has certain remedies with respect to the lien of the 2021 Special Assessments, including, but not limited to, the Remedial Rights set forth in Section 6 herein; and

WHEREAS, in the event the District exercises its Remedial Rights, the District will require the assignment of certain Development Rights (defined below) in order to complete or enable a third party to complete development within the 2021 Assessment Area to the extent that such Development Rights have not been previously assigned, transferred, or otherwise conveyed to: (1) an unaffiliated residential home builder or a retail home buyer in the ordinary course of business; (2) Osceola County, Florida; (3) the District; (6) any applicable homeowners' association; (7) any utility provider; or (8) any other governmental entity or association as may be required by applicable permits, government approvals, plats, entitlements, or regulations associated with the 2021 Project or affecting the 2021 Assessment Area (each a "Partial Transfer"); and

WHEREAS, in the event of a transfer, conveyance or sale of any portion of the 2021 Assessment Area that is not a Partial Transfer, the successors-in-interest to the real property so conveyed by Landowner shall be subject to this Assignment, which shall be recorded in the Official Records of Osceola County, Florida.

NOW, THEREFORE, in consideration of the above recitals and other good and valuable consideration, the sufficiency of which is acknowledged, Landowner and District agree as follows:

1. RECITALS; EXHIBITS. The foregoing recitals are true and correct and, together with the exhibit(s) attached hereto, are incorporated herein by this reference.

2. COLLATERAL ASSIGNMENT.

(a) Subject to the terms and conditions of this Assignment, Landowner hereby collaterally assigns to the District, to the extent assignable, all of Landowner's development rights, permits, entitlements and work product relating to development of the 2021 Project with respect to land within the 2021 Assessment Area (collectively, the "Development Rights"), as security for Landowner's payment of the 2021 Special Assessments levied against land within the 2021 Assessment Area owned by Landowner from time to time, and any True-Up Obligation of the Landowner pursuant to that certain *Agreement between the District and Landowner Regarding True-Up as to the 2021 Special Assessments*, dated _____, 2021. The Development Rights shall include, without limitation, the items listed in subsections (i) through (viii) below as they pertain to development of the 2021 Project, but shall specifically exclude any portion of the Development Rights which relate solely to (x) Lots which have been or are conveyed to homebuilders or homebuyers effective as of such conveyance, (y) any portion of the 2021 Assessment Area which has been transferred, dedicated and/or conveyed, or is in the future transferred, dedicated or conveyed as a Partial Transfer or (z) lots conveyed to end user residents:

(i) Zoning approvals, density approvals and entitlements, concurrency and capacity certificates, and development agreements;

(ii) Engineering and construction plans and specifications for grading, roadways, site drainage, storm water drainage, signage, water distribution, wastewater collection, recreational facilities and other improvements;

(iii) Preliminary and final site plans and plats;

(iv) Architectural plans and specifications for recreational buildings and other public improvements to the developable property within the District;

(v) Permits, approvals, resolutions, variances, licenses, and franchises granted by governmental authorities, or any of their respective agencies, for or affecting the development of the 2021 Project or the construction of public improvements thereon or off-site to the extent such off-site improvements are necessary or required to complete the 2021 Project;

(vi) Contracts with engineers, architects, land planners, landscape architects, consultants, contractors, and suppliers for or relating to the construction of the 2021 Project or the construction of improvements thereon;

(vii) Declarant rights under any declaration of covenants, conditions and restrictions recorded upon the lands within the 2021 Assessment Area; and

(viii) All future creations, changes, extensions, revisions, modifications, substitutions, and replacements of any of the foregoing.

(b) This Assignment is not intended to and shall not impair or interfere with the development of the land within the 2021 Assessment Area, including, without limitation, Landowner's contracts with homebuilders, if any, and homebuyers (collectively, "Sales Contracts"), and shall only be inchoate and shall become an effective and absolute assignment and assumption of the Development Rights only upon a failure of Landowner to pay the 2021 Special Assessments levied against the land within the 2021 Assessment Area owned by Landowner, failure of Landowner to satisfy a True-Up Obligation, or any other Event of Default hereunder and the resulting exercise by the District of its Remedial Rights. The District shall not be deemed to have assumed any obligations associated with the Development Rights unless and until the District exercises its rights under this Assignment, and then only to the extent of such exercise.

(c) In the event that this Assignment has not become an effective and absolute assignment and assumption of the Development Rights, this Assignment shall automatically terminate upon the earliest to occur of the following events: (i) payment, or prepayment, in full of the 2021 Special Assessments; (ii) final platting of all land within the 2021 Assessment Area and the payment of any related True-Up Obligation ("Development Completion"); (iii) transfer of any Development Rights with respect to a Partial Transfer but only to the extent of such transfer; or (iv) transfer of any portion of the 2021 Assessment Area to an unaffiliated homebuilder or homebuyer but only as to such portion transferred, from time to time. Further, this Assignment shall terminate with respect to the Development Rights related to any lands or lots within the 2021 Assessment Area that have had their associated allocation of 2021 Special Assessments prepaid in full.

3. WARRANTIES BY LANDOWNER. Landowner represents and warrants to the District that, subject to the Sales Contracts and only for so long as this Assignment shall remain in effect with respect to the Landowner pursuant to the terms hereof:

(a) Landowner is not prohibited under any agreement with any other person or under any judgment or decree from the execution, delivery and performance of this Assignment.

(b) No action has been brought or threatened which would in any way interfere with the right of Landowner to execute this Assignment and perform all of Landowner's obligations herein contained.

(c) Any transfer, conveyance or sale of property within the 2021 Assessment Area to any affiliated entities or successors-in-interest of Landowner shall subject such affiliated entities or successors-in-interest of Landowner to this Assignment to the extent of the portion of the 2021 Assessment Area so conveyed, except to the extent described in Section 2 above.

4. COVENANTS. Landowner covenants with the District that for so long as this Assignment shall remain in effect pursuant to the terms hereof:

(a) Landowner will use reasonable, good faith efforts to (i) fulfill, perform, and observe each and every material condition and covenant of Landowner relating to the

Development Rights, and (ii) give notice to District of any default with respect to any of the Development Rights.

(b) The Development Rights include all of Landowner's rights to modify the Development Rights, to terminate the Development Rights, and to waive or release the performance or observance of any obligation or condition of the Development Rights; provided, however, that this Assignment does not and shall not (i) pertain to lands outside of the 2021 Assessment Area not relating or necessary to development of the 2021 Project, (ii) pertain to any portion of the 2021 Assessment Area or the 2021 Project that were the subject of a Partial Transfer or (iii) limit Landowner's right, from time to time, to modify, waive or release the Development Rights, subject to Section 4(c) below.

(c) Landowner agrees not to take any action that would decrease the development entitlements in the 2021 Assessment Area to a level below the amount necessary to support the then-outstanding 2021 Special Assessments or would materially impair or impede the ability to achieve Development Completion.

5. EVENTS OF DEFAULT. Any breach of Landowner's warranties contained in Section 3 hereof, any breach of covenants contained in Section 4 hereof which is not cured within sixty (60) days after receipt of written notice thereof (or such longer period of time to cure as may be agreed to by the District, in its sole discretion), will constitute an "**Event of Default**" under this Assignment.

6. REMEDIAL RIGHTS. Upon an Event of Default and (i) the transfer of title to applicable lots or unplatted lands within the 2021 Assessment Area owned by Landowner to the District or its designee pursuant to a judgment of foreclosure entered by a court of competent jurisdiction in favor of the District (or its designee), (ii) a deed in lieu of foreclosure to the District or its designee, or (iii) the acquisition of title to such property through the sale of tax certificates, the District may, as the District's sole and exclusive remedies under this Assignment, take any or all of the following actions (the "Remedial Rights"), at the District's option:

(a) Perform or cause to be performed any and all obligations of Landowner relating to the Development Rights and exercise or cause to be exercised any and all rights of Landowner therein as fully as Landowner could;

(b) Initiate, appear in, or defend any action arising out of or affecting the Development Rights; and,

(c) Further assign any and all of the Development Rights to a third party acquiring title to the land within the 2021 Assessment Area, or any portion thereof, from the District or at a District foreclosure sale.

7. AUTHORIZATION. Upon the occurrence of an Event of Default and the exercise by the District of any Remedial Rights, Landowner does hereby authorize and shall direct any party to any agreement relating to the Development Rights to tender performance thereunder to the District upon written notice and request from the District. Any such performance in favor of

the District shall constitute a full release and discharge to the extent of such performance as fully as though made directly to Landowner. Notwithstanding the foregoing or anything to the contrary set forth in this Assignment, no exercise by the District or the District's rights under this Assignment shall operate to release Landowner from any remaining obligations under this Assignment.

8. THIRD PARTY BENEFICIARIES. The parties hereto agree that the trustee under the Indenture (“**Trustee**”), on behalf of the bondholders, shall be a direct third party beneficiary of the terms and conditions of this Assignment and entitled to enforce Landowner’s obligations hereunder at the direction of the bondholders owning a majority of the aggregate principal amount of the Series 2021 Bonds then outstanding. The Trustee shall not be deemed by virtue of this Assignment to have assumed any obligations or duties. No right or cause of action shall accrue upon or by reason hereof to or for the benefit of any other third party.

9. AMENDMENT. This Assignment may be modified in writing only by the mutual agreement of all parties hereto. This Assignment may not be amended without the prior written consent of the Trustee acting on behalf and at the direction of the bondholders owning a majority of the aggregate principal amount of the Series 2021 Bonds then-outstanding.

10. MISCELLANEOUS. Unless the context requires otherwise, whenever used herein, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders. The terms “person” and “party” shall include individuals, firms, associations, joint ventures, partnerships, estates, trusts, business trusts, syndicates, fiduciaries, corporations, and all other groups and combinations. Titles of paragraphs contained herein are inserted only as a matter of convenience and for reference and in no way define, limit, extend, or describe the scope of this Assignment or the intent of any provisions hereunder. This Assignment shall be construed under Florida law.

11. NOTICES. All notices, requests, consents and other communications hereunder (“Notices”) shall be in writing and shall be delivered, mailed by First Class Mail, postage prepaid, by overnight delivery service, or telecopied or hand delivered to the parties, as follows:

If to the District:	Town of Kindred Community Development District II c/o Rizzetta & Company, Inc. 8529 South Park Circle, Suite 330 Orlando, Florida 32819 Attn: District Manager
With a copy to:	Hopping Green & Sams, P.A. 119 South Monroe Street, Suite 300 Post Office Box 6526 Tallahassee, Florida 32314 Attn: Sarah R. Sandy
If to Developer:	D.R. Horton, Inc. 6200 Lee Vista Blvd., Suite 400

Orlando, Florida 32833
Attn: Donna Pope

With a copy to:

Nelson Mullins Riley and Scarborough LLP
390 N. Orange Ave, Suite 1400
Orlando, Florida 32801
Attention: Jo O. Thacker

With a copy to:

D.R. Horton, Inc.
301 Commerce Street
500 D.R. Horton Tower
Fort Worth, Texas 76102
Attn: Chief Legal Officer

Except as otherwise provided herein, any Notice shall be deemed received only upon actual delivery at the address or telecopy number set forth herein. If mailed as provided above, Notices shall be deemed delivered on the third business day unless actually received earlier. Notices hand delivered after 5:00 p.m. (at the place of delivery) or on a non-business day, shall be deemed received on the next business day. If any time for giving Notice contained in this Assignment would otherwise expire on a non-business day, the Notice period shall be extended to the next succeeding business day. Saturdays, Sundays and legal holidays recognized by the United States government shall not be regarded as business days. Counsel for the parties may deliver Notice on behalf of the parties. Any party or other person to whom Notices are to be sent or copied may notify the other parties and addressees of any change in name, address or telecopy number to which Notices shall be sent by providing the same on five (5) days written notice to the parties and addressees set forth herein.

12. APPLICABLE LAW AND VENUE. This Assignment and the provisions contained herein shall be construed, interpreted and controlled according to the laws of the State of Florida. Each party consents that the venue for any litigation arising out of or related to this Assignment shall be in Osceola County, Florida.

13. COUNTERPARTS. This instrument may be executed in any number of counterparts, each of which when executed and delivered shall constitute an original, and such counterparts together shall constitute one and the same instrument. Signature and acknowledgment pages, if any, may be detached from the counterparts and attached to a single copy of this document to physically form one document.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, Landowner and District have caused this Assignment to be executed and delivered on the day and year first written above.

WITNESSES:

D.R. HORTON, INC.,
a Delaware corporation

[Print Name]

By: _____
Donna Pope
Vice President and Division President

[Print Name]

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me by means of physical presence or online notarization this ___ day of _____, 2021, by Donna Pope, as Vice President and Division President of D.R. Horton, Inc., on behalf of the company.

(Official Notary Signature & Seal)
Name: _____
Personally Known _____
OR Produced Identification _____
Type of Identification _____

WITNESSES:

**TOWN OF KINDRED COMMUNITY
DEVELOPMENT DISTRICT II**

[Print Name]

John Valantasis
Chairperson, Board of Supervisors

[Print Name]

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me by means of physical presence or online notarization this ___ day of _____, 2021, by John Valantasis as Chairperson of the Board of Supervisors of the Town of Kindred Community Development District II.

(Official Notary Signature & Seal)
Name: _____
Personally Known _____
OR Produced Identification _____
Type of Identification _____

Exhibit A: Legal Description of 2021 Assessment Area

This instrument was prepared by and upon recording should be returned to:

Sarah R. Sandy, Esq.
HOPPING GREEN & SAMS, P.A.
Post Office Box 6526
Tallahassee, Florida 32314

**DECLARATION OF CONSENT TO JURISDICTION OF
TOWN OF KINDRED COMMUNITY DEVELOPMENT DISTRICT II
AND TO IMPOSITION OF SPECIAL ASSESSMENTS (SERIES 2021)**

D.R. HORTON, INC., a Delaware corporation (the “Landowner”), is the owner of certain lands within the boundaries of the District, which lands consist of approximately _____ gross acres representing Phases 2C-2 and Phase 2D of the development, planned for a total of [457] lots consisting of [395] detached single-family units and [62] townhome units as more particularly described in Exhibit A attached hereto and made part hereof (the “2021 Assessment Area”), located within the boundaries of the Town of Kindred Community Development District II (the “District”). The Landowner, intending that it and its successors in interest and assigns shall be legally bound by this Declaration, hereby declares, acknowledges and agrees as follows:

1. The District is, and has been at all times, on and after January 15, 2020, a legally created, duly organized, and validly existing community development district under the provisions of Chapter 190, *Florida Statutes*, as amended (the “Act”). Without limiting the generality of the foregoing, the Landowner acknowledges that (a) the petition filed with the Board of County Commissioners of Osceola County, Florida (“County”), relating to the creation of the District contained all matters required by the Act to be contained therein and was filed in the manner and by the persons required by the Act; (b) Ordinance 2020-16, effective as of January 15, 2020, was duly and properly adopted by the County in compliance with all applicable requirements of law; (c) the members of the Board of Supervisors of the District were and are duly and properly designated and/or elected pursuant to the Act to serve in their official capacities and had the authority and right to authorize, approve and undertake all actions of the District approved and undertaken from January 15, 2020, to and including the date of this Declaration.

2. The Landowner, for itself and its successors and assigns, hereby acknowledges and agrees, that the debt service special assessments on the 2021 Assessment Area (the “2021 Special Assessments”) imposed by Resolution Nos. 2020-29, 2020-30, 2020-34, 2020-36, and 2021-__ (the “Assessment Resolutions”), duly adopted by the Board, and all proceedings undertaken by the District as of the date hereof with respect to the 2021 Special Assessments have been in accordance with applicable Florida law (including but not limited to Executive Order 20-69 dated March 20, 2020, issued by Governor Ron DeSantis, as extended, amended and supplemented), that the District has taken all actions necessary to levy and impose the 2021 Special Assessments, and the 2021 Special Assessments are legal, valid and binding first liens upon the 2021 Assessment Area co-equal with the lien of all state, county, district and municipal taxes, superior in dignity to all other liens, titles and claims, until paid.

3. The Landowner, for itself and its successors and assigns, hereby waives the right granted in Chapter 170.09, *Florida Statutes*, to prepay the 2021 Special Assessments without interest within thirty (30) days after the improvements are completed, in consideration of the rights granted by the District to prepay the 2021 Special Assessments in full or in part, but with interest, under the circumstances set forth in the Assessment Resolutions of the District levying the 2021 Special Assessments.

4. The Landowner hereby expressly acknowledges, represents and agrees that (i) the 2021 Special Assessments, the Assessment Resolutions, and the terms of the (a) Agreement Between Town of Kindred Community Development District II and D.R. Horton, Inc., Regarding the Acquisition of Certain Work Product, Improvements and Real Property, (b) Agreement Between The Town of Kindred Community Development District II and D.R. Horton, Inc., Regarding the Completion of Certain Improvements, (c) Agreement Between The Town of Kindred Community Development District II and D.R. Horton, Inc. Regarding True-Up As To 2021 Special Assessments and (d) Collateral Assignment and Assumption of Development Rights Relating To The Capital Improvement Plan (documents (a) through (d) collectively referred to herein as the “Financing Documents”) as they relate to the District’s issuance of the Town of Kindred Community Development District II Special Assessment Revenue Bonds, Series 2021 (the “Series 2021 Bonds”), or securing payment thereof, are valid and binding obligations enforceable under the laws of the State of Florida in accordance with their respective terms; (ii) there are no claims or offsets whatsoever against, or defenses or counterclaims whatsoever to, payments of the 2021 Special Assessments or claims of invalidity, deficiency or unenforceability of the 2021 Special Assessments and Financing Documents (and the Landowner hereby expressly waives any such claims, offsets, defenses or counterclaims) (iii) to the extent Landowner fails to timely pay any 2021 Special Assessments collected by mailed notice of the District, such unpaid 2021 Special Assessments and future 2021 Special Assessments may be placed on the tax roll by the District for collection by the Tax Collector pursuant to Section 197.3632, *Florida Statutes*, in any subsequent year.

5. The Landowner hereby expressly waives (i) any argument, claim or defense that foreclosure proceedings cannot be commenced until one (1) year after the date of the Landowner’s default and agrees that, immediate use of remedies in Chapter 170, *Florida Statutes*, is an appropriate and available remedy, notwithstanding the provisions of Section 190.026, *Florida Statutes*, and (ii) any and all rights to challenge the validity of: (a) Executive Order 20-69 dated March 20, 2020, issued by Governor Ron DeSantis (“Executive Order”), as extended, amended and supplemented, and (b) any argument, claim or defense resulting from any defect or omission of any and all District notices, meetings, workshops, public hearings and other proceedings in relation to the 2021 Special Assessments or the Series 2021 Bonds that were conducted on or prior to the date hereof whether pursuant to Florida law or any waiver of Florida law granted in said Executive Order, including any extensions thereof.

6. This Declaration shall represent a lien of record for purposes of Chapter 197, *Florida Statutes*, including, without limitation, Section 197.573, *Florida Statutes*. Other information regarding the 2021 Special Assessments is available from the District Manager (Rizzetta & Company, Inc.), 8529 South Park Circle, Suite 330, Orlando, Florida 32819.

THE DECLARATIONS, ACKNOWLEDGEMENTS AND AGREEMENTS CONTAINED HEREIN SHALL BE BINDING ON THE LANDOWNER AND ON ALL PERSONS (INCLUDING CORPORATIONS, ASSOCIATIONS, TRUSTS AND OTHER LEGAL ENTITIES) TAKING TITLE TO ALL OR ANY PART OF THE 2021 ASSESSMENT AREA AND THEIR SUCCESSORS IN INTEREST, WHETHER OR NOT THE 2021 ASSESSMENT AREA IS PLATTED AT SUCH TIME. BY TAKING SUCH TITLE, SUCH PERSONS SHALL BE DEEMED TO HAVE CONSENTED AND AGREED TO THE PROVISIONS OF THIS DECLARATION TO THE SAME EXTENT AS IF THEY HAD EXECUTED IT AND BY TAKING SUCH TITLE, SUCH PERSONS SHALL BE ESTOPPED FROM CONTESTING, IN COURT OR OTHERWISE, THE VALIDITY, LEGALITY AND ENFORCEABILITY OF THIS DECLARATION.

EFFECTIVE THIS ___ day of _____, 2021.

WITNESSES:

D.R. HORTON, INC., a Delaware corporation

[Print Name]

By: _____
Donna Pope
Vice President and Division President

[Print Name]

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me by means of physical presence or online notarization this ___ day of _____, 2021, by Donna Pope, as Vice President and Division President of D.R. Horton, Inc., on

(Official Notary Signature & Seal)
Name: _____
Personally Known _____
OR Produced Identification _____
Type of Identification _____

EXHIBIT A – 2021 ASSESSMENT AREA

Tab 9

RESOLUTION 2021-11

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE TOWN OF KINDRED COMMUNITY DEVELOPMENT DISTRICT II DIRECTING THE CHAIRPERSON AND DISTRICT STAFF TO FILE A PETITION WITH OSCEOLA COUNTY, FLORIDA, REQUESTING THE ADOPTION OF AN ORDINANCE AMENDING THE DISTRICT'S BOUNDARIES, AND AUTHORIZING SUCH OTHER ACTIONS AS ARE NECESSARY IN FURTHERANCE OF THE BOUNDARY AMENDMENT PROCESS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the District is a local unit of special-purpose government created and existing pursuant to Chapter 190, *Florida Statutes* ("Act"), as established by Ordinance No. 2020-16 (the "Ordinance"), adopted by the County Commission of Osceola County, Florida ("County"), effective as of January 15, 2020, and being situated entirely within the County; and

WHEREAS, pursuant to the Act, the District is authorized to construct, acquire, operate and maintain infrastructure improvements and services; and

WHEREAS, the District presently consists of approximately 218.797 acres of land, more or less, as more fully described in the Ordinance; and

WHEREAS, the primary developer of the lands within the District ("Developer"), has approached the District and requested the District petition to contract its boundaries by removing approximately _____ acres of land, more or less, known as "Phase 2B" and more particularly described in the attached **Exhibit A** ("Property"); and

WHEREAS, the proposed boundary amendment is in the best interests of the District and the remaining area of land within the proposed amended boundaries of the District will continue to be of sufficient size, sufficiently compact, and sufficiently contiguous to be developable as one functionally related community; and

WHEREAS, for the area of land that will remain in the amended boundaries of the District, the District is the best alternative available for delivering community development services and facilities; and

WHEREAS, removal of the Property in **Exhibit A** from the District is not inconsistent with either the State or local comprehensive plans; and

WHEREAS, the area of land that will lie in the amended boundaries of the District continues to be amenable to separate special district government; and

WHEREAS, in order to seek a boundary amendment pursuant to Chapter 190, *Florida Statutes*, the District desires to authorize District staff, including but not limited to legal, engineering, and managerial staff, to provide such services as are necessary throughout the pendency of the boundary amendment process; and

WHEREAS, the retention of any necessary consultants and the work to be performed by District staff may require the expenditure of certain fees, costs, and other expenses by the District as authorized by the District's Board of Supervisors ("Board"); and

WHEREAS, the District desires to petition to amend its boundaries in accordance with the procedures and processes described in Chapter 190, *Florida Statutes*, which processes include the preparation of a petition to the County, and such other actions as are necessary in furtherance of the boundary amendment process.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE TOWN OF KINDRED COMMUNITY DEVELOPMENT DISTRICT II:

SECTION 1. The recitals stated above are true and correct and by this reference are incorporated into and form a material part of this Resolution.

SECTION 2. The Board hereby directs the Chairperson and District staff to proceed in an expeditious manner with the preparation and filing of a petition and related materials with the County, to seek the amendment of the District's boundaries to add the lands depicted in **Exhibit A**, pursuant to Chapter 190, *Florida Statutes*, and authorizes the prosecution of the procedural requirements detailed in Chapter 190, *Florida Statutes*, for the amendment of the District's boundaries.

SECTION 3. The Board hereby authorizes the District Chairperson, District Manager and District Counsel to act as agents of the District with regard to any and all matters pertaining to the petition to the County to amend the boundaries of the District.

SECTION 4. This Resolution shall become effective upon its passage.

PASSED AND ADOPTED this 10th day of August 2021.

ATTEST:

**TOWN OF KINDRED COMMUNITY
DEVELOPMENT DISTRICT II**

Secretary/Assistant Secretary

Chairperson, Board of Supervisors

Exhibit A: Property

EXHIBIT A

Parcel ID: _____

[Legal Description of Phase 2B, shown below, TBD]

