DPFG

DEVELOPMENT PLANNING & FINANCING GROUP, INC.

AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT

Agenda Package

Board of Supervisors Meeting

Date & Time:

Wednesday
January 18, 2017
10:00 a.m.

Location:

Cagan Crossing
Community Library
16729 Cagan Oaks
Clermont, Florida

Note: The Advanced Meeting Package is a working document and thus all materials are considered DRAFTS prior to presentation and Board acceptance, approval or adoption.

Avalon Groves
Community Development District

Development Planning and Financing Group

[X] 1060 Maitland Center Commons, Suite 340
Maitland, Florida 32751
321-263-0134

[ ] 15310 Amberly Drive, Suite 175
Tampa, Florida 33647
813-374-9105

January 11, 2017

Board of Supervisors
Avalon Groves Community
Development District

Dear Board Members:

The Regular Meeting of the Board of Supervisors of the Avalon Park Community Development District is scheduled for Wednesday January 18, 2017 at 10:00 a.m. at the Cagan Crossing Community Library 16729 Cagan Oaks Clermont, Florida.

The advanced copy of the agenda for the meeting is attached along with associated documentation for your review and consideration. Any additional support material will be distributed at the meeting.

The balance of the agenda is routine in nature. Staff will present their reports at the meeting. If you have any questions, please contact me. I look forward to seeing you there.

Sincerely,

Patricia Comings-Thibault
Patricia Comings-Thibault
District Manager

cc: Attorney
Engineer
District Records

District: AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT
Date of Meeting: **Wednesday, January 18, 2017**
Time: 10:00 a.m.
Location: Cagan Crossing Community Library
16729 Cagan Oaks
Clermont, FL

Dial-in Number: 712-775-7031
Guest Access Code: 109-516-380

Agenda

I. Roll Call

II. Audience Comments

III. Administrative Matters

A. Approval of Minutes of December 22, 2016 Meeting Exhibit 1

B. Acceptance of the Unaudited November 2016 Financials Exhibit 2

IV. Business Items

A. Oath of Office – Candice Smith – Form 1 Exhibit 3

B. Consideration & Adoption of Resolution 2017-11, Designation of Officers Exhibit 4

C. Consideration & Award of Serenoa, Phase 1A Project –Evaluation Criteria and Bid Summaries Exhibit 5

D. Approval for District Staff to Provide Notice of Selection to all Proposers Exhibit 6

E. Consideration & Adoption of Resolution 2017-12, Delegated Award Resolution Exhibit 7

- Exhibit A – Bond Purchase Contract
- Exhibit B – Preliminary Offering Memorandum
- Exhibit C – Continuing Disclosure Agreement
- Exhibit D – 1st Supplemental Trust Indenture
  2nd Supplemental Trust Indenture
  3rd Supplemental Trust Indenture

V. Staff Reports

A. Manager

B. Attorney

C. Engineer

VI. Supervisors Requests

VII. Adjournment

EXHIBIT 1

MINUTES OF MEETING
AVALON GROVES
COMMUNITY DEVELOPMENT DISTRICT

The Regular Meeting of the Board of Supervisors of the Avalon Groves Community Development District was held on Thursday, December 22, 2016 at 11:30 a.m. at the Cagan Crossing Community Library, 16729 Cagan Oaks, and Clermont, Florida

FIRST ORDER OF BUSINESS - Roll Call

Ms. Comings-Thibault called the meeting to order.

Present and constituting a quorum were:

Jim Harvey	Board Supervisor, Chairman
Greg Meath	Board Supervisor, Vice Chairman
Brad Walker	Board Supervisor, Assistant Secretary

Also present were:

Patricia Comings-Thibault	District Manager
Roy Van Wyk	District Counsel (via phone)
Gary Miller	District Engineer (via phone)

SECOND ORDER OF BUSINESS – Audience Comments

There being none, the next item followed.

THIRD ORDER OF BUSINESS – Administrative Matters

A. Approval of Minutes of November 22, 2016 Meeting Minutes

Ms. Comings-Thibault presented the Minutes of the November 22, 2016 Meeting Minutes and asked for comments, questions or corrections.

On a MOTION by Mr. Harvey, SECONDED by Mr. Meath, WITH ALL IN FAVOR, the Board approved the Minutes of the Meeting held on November 22, 2016 for the Avalon Groves Community Development District.

B. Acceptance of the November 2016 Financials

Ms. Comings-Thibault presented the November 2016 Financials and asked for comments or questions.

On a MOTION by Mr. Harvey, SECONDED by Mr. Walker, WITH ALL IN FAVOR, the Board approved the November 2016 Financials for the Avalon Groves Community Development District.

FOURTH ORDER OF BUSINESS – Business Items

A. Public Hearing on Special Assessment Area One

1. Open Public Hearing

Ms. Comings-Thibault requested a motion to open the Public Hearing.

On a MOTION by Mr. Harvey, SECONDED by Mr. Meath, WITH ALL IN FAVOR, the Board opened the Public Hearing for the Avalon Groves Community Development District.

2. Public Comment & Testimony

There being none, next item followed.

3. Close Public Hearing

Ms. Comings-Thibault requested a motion to close the Public Hearing.

On a MOTION by Mr. Harvey, SECONDED by Mr. Meath, WITH ALL IN FAVOR, the Board closed the Public Hearing for the Avalon Groves Community Development District.

4. Adoption of Resolution 2017-08 Imposing and Levying Special Assessments for Area One

Ms. Comings-Thibault presented Resolution 2017-08 Imposing and Levying Special Assessments for Area One.

Mr. Van Wyk asked Mr. Miller to confirm that there haven't been any changes in his Engineer's Report since the last presentation. Mr. Miller confirmed there were no changes.

Mr. Van Wyk also asked Mr. Miller if there were any reasons that we couldn't carry out the project as described in the Engineer's Report in either Phase 1, 2 or 3. Mr. Miller confirmed he was not aware of any reasons.

Mr. Van Wyk asked Ms. Comings-Thibault, as the representative of the Financial Adviser to the District, is it your opinion that the properties subject to the assessments will receive special benefit from the improvement program? Ms. Comings-Thibault answered yes, it is.

Mr. Van Wyk also asked Ms. Comings-Thibault are the special assessments as set forth in the assessment methodology reasonably apportioned among the land subject to the special assessments? Ms. Coming-Thibault answered yes, they are.

Mr. Van Wyk also asked Ms. Comings-Thibault is it your opinion that the special benefit the lands will receive set forth in the final assessment roll as attached to your final assessment methodology are equal to or in excess of the maximum special assessments when set forth in the methodology are imposed? Ms. Comings-Thibault answered yes.

Mr. Van Wyk said it would be appropriate to impose special assessments and authorize the project as set forth in each one of these assessment resolutions.

On a MOTION by Mr. Harvey, SECONDED by Mr. Meath, WITH ALL IN FAVOR, the Board adopted Resolution **2017-08** Imposing and Levying Special Assessments for Area One for the Avalon Groves Community Development District.

B. Public Hearing on Special Assessment Area Two

1. Open Public Hearing

Ms. Comings-Thibault requested a motion to open the Public Hearing.

On a MOTION by Mr. Harvey, SECONDED by Mr. Meath, WITH ALL IN FAVOR, the Board opened the Public Hearing for the Avalon Groves Community Development District.

2. Public Comment & Testimony

There being none, next item followed.

3. Close Public Hearing

Ms. Comings-Thibault requested a motion to close the Public Hearing.

On a MOTION by Mr. Harvey, SECONDED by Mr. Meath, WITH ALL IN FAVOR, the Board closed the Public Hearing for the Avalon Groves Community Development District.

4. Adoption of Resolution 2017-09 Imposing and Levying Special Assessments for Area Two

Ms. Comings-Thibault presented Resolution 2017-09 Imposing and Levying Special Assessments for Area Two.

On a MOTION by Mr. Harvey, SECONDED by Mr. Meath, WITH ALL IN FAVOR, the Board adopted Resolution **2017-09** Imposing and Levying Special Assessments for Area Two for the Avalon Groves Community Development District.

C. Public Hearing on Special Assessment Area Three

1. Open Public Hearing

Ms. Comings-Thibault requested a motion to open the Public Hearing.

On a MOTION by Mr. Harvey, SECONDED by Mr. Meath, WITH ALL IN FAVOR, the Board opened the Public Hearing for the Avalon Groves Community Development District.

2. Public Comment & Testimony

There being none, next item followed.

3. Close Public Hearing

Ms. Comings-Thibault requested a motion to close the Public Hearing.

On a MOTION by Mr. Harvey, SECONDED by Mr. Meath, WITH ALL IN FAVOR, the Board closed the Public Hearing for the Avalon Groves Community Development District.

4. Adoption of Resolution 2017-10 Imposing and Levying Special Assessments for Area Three

Ms. Comings-Thibault presented Resolution 2017-10 Imposing and Levying Special Assessments for Area Three.

On a MOTION by Mr. Harvey, SECONDED by Mr. Meath, WITH ALL IN FAVOR, the Board adopted Resolution **2017-10** Imposing and Levying Special Assessments for Area Three for the Avalon Groves Community Development District.

FIFTH ORDER OF BUSINESS – Staff Reports

A. Manager

Ms. Comings-Thibault stated that the bids will be opened on January 6 at 2:00 p.m.

A special meeting is scheduled for January 18, 2016 at 10:00 a.m. to be held at the Cagan Crossing Library to review the bids and award.

B. Attorney

There being none, next item followed.

C. Engineer

There being none, next item followed.

SIXTH ORDER OF BUSINESS – Supervisor Request

Mr. Harvey requested a motion to accept Mr. Walker's resignation and to appoint Ms. Candace Smith for his seat.

On a MOTION by Mr. Harvey, SECONDED by Mr. Meath, WITH ALL IN FAVOR, the Board accepted the resignation of Mr. Walker and appointed Ms. Candace Smith for his seat for the Avalon Groves Community Development District.

SEVENTH ORDER OF BUSINESS – Adjournment

On a MOTION by Mr. Harvey, SECONDED by Mr. Walker, WITH ALL IN FAVOR, the Board adjourned the meeting for the Avalon Groves Community Development District.

**Each person who decides to appeal any decision made by the Board with respect to any matter considered at the meeting is advised that 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.*

Meeting minutes were approved at a meeting by vote of the Board of Supervisors at a publicly noticed meeting held on _____.

_____	**_____**
Signature	**Signature**
_____	**_____**
Printed Name	**Printed Name**
Title: □ Secretary □ Assistant Secretary	**Title: □ Chairman □Vice Chairman**

EXHIBIT 2

Avalon Groves
Community Development District

Summary Financial Statements
(Unaudited)

Period Ending
November 30, 2016

Avalon Groves Community Development District
Balance Sheet
Unaudited
November 30, 2016

		GENERAL FUND
ASSETS:		
CASH	$	735
INVESTMENTS:		
ACCOUNTS RECEIVABLE		15,189
TOTAL ASSETS	**$**	**15,924**
LIABILITIES:		
ACCOUNTS PAYABLE	$	15,189
FUND BALANCE:		
NONSPENDABLE:		
PREPAID AND DEPOSITS		-
ASSIGNED:		
OPERATING RESERVES		-
RESERVES - ROADWAYS		-
UNASSIGNED:		735
TOTAL LIABILITIES & FUND BALANCE	**$**	**15,924**

Avalon Groves Community Development District

Statement of Revenue, Expenditures And Change In Fund Balance

For The Period Ending November 30, 2016

	FY2017 ADOPTED BUDGET	BUDGET YEAR-TO-DATE	ACTUAL YEAR-TO-DATE	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
SPECIAL ASSESSMENTS (LANDOWNER OFF-ROLL)	$ 220,035	$ 36,673	$ 34,517	$ (2,155)
TOTAL REVENUES	**220,035**	**36,673**	**34,517**	**(2,155)**
EXPENDITURES				
GENERAL ADMINISTRATIVE				
DISTRICT MANAGEMENT SERVICES	32,000	5,333	8,000	(2,667)
BANK FEES	150	25	15	10
AUDITING SERVICES	5,500	917	-	917
REGULATORY & PERMIT FEES	175	175	175	-
LEGAL ADVERTISEMENTS	750	125	-	125
ENGINEERING SERVICES	10,000	1,667	-	1,667
LEGAL SERVICES	10,000	1,667	3,525	(1,859)
TECHNOLOGY & WEBSITE ADMIN.	960	160	160	-
MISC. OFFICE (PRINTING)	500	83	-	83
TOTAL GENERAL ADMINISTRATIVE	**60,035**	**10,152**	**11,875**	**(1,723)**
INSURANCE				
INSURANCE (PUBLIC OFFICIALS)	3,300	-	-	-
INSURANCE (PROPERTY & CASUALTY)	7,500	2,410	2,410	-
TOTAL INSURANCE	**10,800**	**2,410**	**2,410**	**-**
DEBT SERVICE ADMIN.				
DISCLOSURE REPORT	5,000	-	-	-
ARBITRAGE REBATE	700	-	-	-
TRUSTEE FEES	3,500	-	-	-
TOTAL DEBT ADMINISTRATION	**9,200**	**-**	**-**	**-**
UTILITIES			-	
UTILITIES-ELECTRICITY	2,500	-	-	-
TOTAL UTILITIES	**2,500**	**-**	**-**	**-**
PHYSICAL ENVIRONMENT				
LAKE & POND MAINTENANCE	2,500	417	-	417
LANDSCAPE MAINTENANCE	25,000	4,167	-	4,167
LANDSCAPE - MISCELLANEOUS	5,000	833	-	833
WETLAND MITIGATION & MAINTENANCE	5,000	833	-	833
FIELD CONTINGENCY	100,000	16,667	-	16,667
TOTAL PHYSICAL ENVIRONMENT EXPENDITURES	**137,500**	**22,917**	**-**	**22,917**
TOTAL EXPENDITURES	**220,035**	**35,478**	**14,285**	**21,193**
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	**-**	**-**	**20,232**	**20,232**
FUND BALANCE - BEGINNING	-	-	(19,497)	(19,497)
FUND BALANCE - ENDING	**$ -**	**$ -**	**$ 735**	**$ 735**

Avalon Groves Community Development District
General Fund - Bank Reconciliation
Operating Accounts
November 30, 2016

		BU
Balance Per Bank Statement	$	910.20
Less: Outstanding AP Checks		(175.00)
Adjusted Bank Balance	**$**	**735.20**
Beginning Bank Balance Per Books	$	1,607.69
Deposits & Interest		-
Cash Disbursements		(872.49)
Balance Per Books	**$**	**735.20**

Avalon Groves CDD
Check Register
Operating Account
FY 2017

DATE	CK NO.	PAYEE	TRANSACTION	DEPOSIT	DISBURSMT	BALANCE
9/30/2016		**EOM**	**Balance**			**0.00**
10/21/2016		Deposit	Funding Request 01	19,448.99		19,448.99
10/26/2016	9997	DPFG	CDD Management		8,000.00	11,448.99
10/26/2016	9999	Egis Insurance Risk Advisors	Insurance - FY 2017		2,410.00	9,038.99
10/26/2016	9998	Hopping Green & Sams	Legal Services		7,416.50	1,622.49
10/26/2016	ACH102616	BANK UNITED	New Acct. Checks Ordered		14.80	1,607.69
10/31/2016		**EOM**	**Balance**	**19,448.99**	**17,841.30**	**1,607.69**
11/11/2016	1001	FLORIDA DEPT OF ECONOMIC OPPORTUNIT	Annual Filing FY 2016		100.00	1,507.69
11/11/2016	1002	Orlando Sentinel	Legal Ad		260.50	1,247.19
11/11/2016	1003	Venturesin.com, Inc.	Web Site/Domain		256.99	990.20
11/14/2016	1004	Venturesin.com, Inc.	Web Site Hosting - Nov		80.00	910.20
11/29/2016	1005	FLORIDA DEPT OF ECONOMIC OPPORTUNIT	Annual Filing Fee - FY 2017		175.00	735.20
11/30/2016		**EOM**	**Balance**	**0.00**	**872.49**	**735.20**

EXHIBIT 3

OATH OF OFFICE

STATE OF FLORIDA

County of Lake

I do solemnly swear (or affirm) that I will support, protect, and defend the Constitution and Government of the United States and of the State of Florida; that I am duly qualified to hold office under the Constitution of the State, and that I will well and faithfully perform the duties of

Supervisor of the Avalon Groves Community Development District

(Office)

on which I am now about to enter, so help me God.

_____

Signature

Sworn to and subscribed before me this ____ day of _____, _____.

_____

Signature of Officer Administering Oath or of Notary Public – State of Florida)

_____

Print, Type, or Stamp Commissioned Name of Notary Public

Personally Known ☐ ***OR*** *Produced Identification* ☐

Type of Identification Produced _____

ACCEPTANCE

I accept the office of _____

_____. The above is the Oath of Office taken by me.

In addition to the above office I also hold the office of _____.

Mailing Address: ☐ **Home** ☐ **Office**

_____

Street or Post Office Box

_____

City, State, Zip Code

Signature:

_____

Print name as you desire commission issued

_____

Signature

DS-DE 56 (Rev. 05/07)

Print Reset

NEW SUPERVISOR INFORMATION SHEET

PLEASE RETURN COMPLETED FORM TO DPFG

Development Planning & Financing Group, Inc.
Records Management and Administration
15310 Amberly Drive
Suite 175
Tampa, Florida 33647

CDD:

_____

NAME:

_____

ADDRESS:

_____

_____

_____

COUNTY OF RESIDENCE:

_____

PHONE:

_____

FAX:

_____

CELL:

_____

EMAIL ADDRESS:

_____

FORM 1 STATEMENT OF FINANCIAL INTERESTS 2015

Please print or type your name, mailing address, agency name, and position below:

FOR OFFICE USE ONLY:

LAST NAME -- FIRST NAME -- MIDDLE NAME :

MAILING ADDRESS :

CITY : ZIP : COUNTY :

NAME OF AGENCY :

NAME OF OFFICE OR POSITION HELD OR SOUGHT :

You are not limited to the space on the lines on this form. Attach additional sheets, if necessary.

CHECK ONLY IF ❑ CANDIDATE OR ❑ NEW EMPLOYEE OR APPOINTEE

**** BOTH PARTS OF THIS SECTION MUST BE COMPLETED ****

DISCLOSURE PERIOD:

THIS STATEMENT REFLECTS YOUR FINANCIAL INTERESTS FOR THE PRECEDING TAX YEAR, WHETHER BASED ON A CALENDAR YEAR OR ON A FISCAL YEAR. PLEASE STATE BELOW WHETHER THIS STATEMENT IS FOR THE PRECEDING TAX YEAR ENDING EITHER (must check one):

❑ DECEMBER 31, 2015 OR ❑ SPECIFY TAX YEAR IF OTHER THAN THE CALENDAR YEAR:_____

MANNER OF CALCULATING REPORTABLE INTERESTS:

FILERS HAVE THE OPTION OF USING REPORTING THRESHOLDS THAT ARE ABSOLUTE DOLLAR VALUES, WHICH REQUIRES FEWER CALCULATIONS, OR USING COMPARATIVE THRESHOLDS, WHICH ARE USUALLY BASED ON PERCENTAGE VALUES (see instructions for further details). CHECK THE ONE YOU ARE USING **(must check one)**:

❑ **COMPARATIVE (PERCENTAGE) THRESHOLDS** OR ❑ **DOLLAR VALUE THRESHOLDS**

PART A -- PRIMARY SOURCES OF INCOME [Major sources of income to the reporting person - See instructions]
(**If you have nothing to report, write "none" or "n/a")**

NAME OF SOURCE OF INCOME	SOURCE'S ADDRESS	DESCRIPTION OF THE SOURCE'S PRINCIPAL BUSINESS ACTIVITY

PART B -- SECONDARY SOURCES OF INCOME
[Major customers, clients, and other sources of income to businesses owned by the reporting person - See instructions]
(**If you have nothing to report, write "none" or "n/a")**

NAME OF BUSINESS ENTITY	NAME OF MAJOR SOURCES OF BUSINESS' INCOME	ADDRESS OF SOURCE	PRINCIPAL BUSINESS ACTIVITY OF SOURCE

PART C -- REAL PROPERTY [Land, buildings owned by the reporting person - See instructions]
(If you have nothing to report, write "none" or "n/a")

FILING INSTRUCTIONS for when and where to file this form are located at the bottom of page 2.

INSTRUCTIONS on who must file this form and how to fill it out begin on page 3.

(Continued on reverse side)

PART D — INTANGIBLE PERSONAL PROPERTY [Stocks, bonds, certificates of deposit, etc. - See instructions]
(If you have nothing to report, write "none" or "n/a")

TYPE OF INTANGIBLE	BUSINESS ENTITY TO WHICH THE PROPERTY RELATES

PART E — LIABILITIES [Major debts - See instructions]
(If you have nothing to report, write "none" or "n/a")

NAME OF CREDITOR	ADDRESS OF CREDITOR

PART F — INTERESTS IN SPECIFIED BUSINESSES [Ownership or positions in certain types of businesses - See instructions]
(If you have nothing to report, write "none" or "n/a")

	BUSINESS ENTITY # 1	BUSINESS ENTITY # 2
NAME OF BUSINESS ENTITY		
ADDRESS OF BUSINESS ENTITY		
PRINCIPAL BUSINESS ACTIVITY		
POSITION HELD WITH ENTITY		
I OWN MORE THAN A 5% INTEREST IN THE BUSINESS		
NATURE OF MY OWNERSHIP INTEREST		

PART G — TRAINING
For **elected municipal officers** required to complete annual ethics training pursuant to section 112.3142, F.S.

❑ **I CERTIFY THAT I HAVE COMPLETED THE REQUIRED TRAINING.**

IF ANY OF PARTS A THROUGH G ARE CONTINUED ON A SEPARATE SHEET, PLEASE CHECK HERE ❑

SIGNATURE OF FILER:

Signature:

_____

Date Signed:

_____

CPA or ATTORNEY SIGNATURE ONLY

If a certified public accountant licensed under Chapter 473, or attorney in good standing with the Florida Bar prepared this form for you, he or she must complete the following statement:

I, _____, prepared the CE Form 1 in accordance with Section 112.3145, Florida Statutes, and the instructions to the form. Upon my reasonable knowledge and belief, the disclosure herein is true and correct.

CPA/Attorney Signature: _____

Date Signed: _____

FILING INSTRUCTIONS:

WHAT TO FILE:

After completing all parts of this form, **including signing and dating it,** send back only the first sheet (pages 1 and 2) for filing.

If you have nothing to report in a particular section, you must write "none" or "n/a" in that section(s).

NOTE:
MULTIPLE FILING UNNECESSARY:
A candidate who previously filed Form 1 because of another public position must file a copy of his or her Form 1 when qualifying. A candidate who files a Form 1 with a qualifying officer is not required to file with the Commission or Supervisor of Elections.

Facsimiles will not be accepted.

WHERE TO FILE:

If you were mailed the form by the Commission on Ethics or a County Supervisor of Elections for your annual disclosure filing, return the form to that location.

Local officers/employees file with the Supervisor of Elections of the county in which they permanently reside. (If you do not permanently reside in Florida, file with the Supervisor of the county where your agency has its headquarters.)

State officers **or** ***specified state employees*** file with the Commission on Ethics, P.O. Drawer 15709, Tallahassee, FL 32317-5709; physical address: 325 John Knox Road, Building E, Suite 200, Tallahassee, FL 32303.

Candidates file this form together with their qualifying papers.

To determine what category your position falls under, see page 3 of instructions.

WHEN TO FILE:

Initially, each local officer/employee, state officer, and specified state employee must file ***within 30 days*** of the date of his or her appointment or of the beginning of employment. Appointees who must be confirmed by the Senate must file prior to confirmation, even if that is less than 30 days from the date of their appointment.

Candidates must file at the same time they file their qualifying papers.

Thereafter, file by July 1 following each calendar year in which they hold their positions.

Finally, file a final disclosure form (Form 1F) within 60 days of leaving office or employment. Filing a CE Form 1F (Final Statement of Financial Interests) does not relieve the filer of filing a CE Form 1 if the filer was in his or her position on December 31, 2015.

NOTICE

Annual Statements of Financial Interests are due July 1. If the annual form is not filed or postmarked by September 1, an automatic fine of $25 for each day late will be imposed, up to a maximum penalty of $1,500. Failure to file also can result in removal from public office or employment. [s. 112.3145, F.S.]

In addition, failure to make any required disclosure constitutes grounds for and may be punished by one or more of the following: disqualification from being on the ballot, impeachment, removal or suspension from office or employment, demotion, reduction in salary, reprimand, or a civil penalty not exceeding $10,000. [s. 112.317, F.S.]

WHO MUST FILE FORM 1:

1) Elected public officials not serving in a political subdivision of the state and any person appointed to fill a vacancy in such office, unless required to file full disclosure on Form 6.

2) Appointed members of each board, commission, authority, or council having statewide jurisdiction, excluding members of solely advisory bodies, but including judicial nominating commission members; Directors of Enterprise Florida, Scripps Florida Funding Corporation, and Career Source Florida; and members of the Council on the Social Status of Black Men and Boys; the Executive Director, Governors, and senior managers of Citizens Property Insurance Corporation; Governors and senior managers of Florida Workers' Compensation Joint Underwriting Association; board members of the Northeast Fla. Regional Transportation Commission; members of the board of Triumph Gulf Coast, Inc; members of the board of Florida Is For Veterans, Inc.; and members of the Technology Advisory Council within the Agency for State Technology.

3) The Commissioner of Education, members of the State Board of Education, the Board of Governors, and the local Boards of Trustees and Presidents of state universities.

4) Persons elected to office in any political subdivision (such as municipalities, counties, and special districts) and any person appointed to fill a vacancy in such office, unless required to file Form 6.

5) Appointed members of the following boards, councils, commissions, authorities, or other bodies of county, municipality, school district, independent special district, or other political subdivision: the governing body of the subdivision; community college or junior college district boards of trustees; boards having the power to enforce local code provisions; boards of adjustment; community redevelopment agencies; planning or zoning boards having the power to recommend, create, or modify land planning or zoning within a political subdivision, except for citizen advisory committees, technical coordinating committees, and similar groups who only have the power to make recommendations to planning or zoning boards; pension or retirement boards empowered to invest pension or retirement funds or determine entitlement to or amount of pensions or other retirement benefits.

6) Any appointed member of a local government board who is required to file a statement of financial interests by the appointing authority or the enabling legislation, ordinance, or resolution creating the board.

7) Persons holding any of these positions in local government: mayor; county or city manager; chief administrative employee or finance director of a county, municipality, or other political subdivision; county or municipal attorney; chief county or municipal building inspector; county or municipal water resources coordinator; county or municipal pollution control director; county or municipal environmental control director; county or municipal administrator with power to grant or deny a land development permit; chief of police; fire chief; municipal clerk; appointed district school superintendent; community college president; district medical examiner; purchasing agent (regardless of title) having the authority to make any purchase exceeding $20,000 for the local governmental unit.

8) Officers and employees of entities serving as chief administrative officer of a political subdivision.

9) Members of governing boards of charter schools operated by a city or other public entity.

10) Employees in the office of the Governor or of a Cabinet member who are exempt from the Career Service System, excluding secretarial, clerical, and similar positions.

11) The following positions in each state department, commission, board, or council: Secretary, Assistant or Deputy Secretary, Executive Director, Assistant or Deputy Executive Director, and anyone having the power normally conferred upon such persons, regardless of title.

12) The following positions in each state department or division: Director, Assistant or Deputy Director, Bureau Chief, Assistant Bureau Chief, and any person having the power normally conferred upon such persons, regardless of title.

13) Assistant State Attorneys, Assistant Public Defenders, criminal conflict and civil regional counsel, and assistant criminal conflict and civil regional counsel, Public Counsel, full-time state employees serving as counsel or assistant counsel to a state agency, administrative law judges, and hearing officers.

14) The Superintendent or Director of a state mental health institute established for training and research in the mental health field, or any major state institution or facility established for corrections, training, treatment, or rehabilitation.

15) State agency Business Managers, Finance and Accounting Directors, Personnel Officers, Grant Coordinators, and purchasing agents (regardless of title) with power to make a purchase exceeding $20,000.

16) The following positions in legislative branch agencies: each employee (other than those employed in maintenance, clerical, secretarial, or similar positions and legislative assistants exempted by the presiding officer of their house); and each employee of the Commission on Ethics.

INSTRUCTIONS FOR COMPLETING FORM 1:

INTRODUCTORY INFORMATION (Top of Form): If your name, mailing address, public agency, and position are already printed on the form, you do not need to provide this information unless it should be changed. To change any of this information, write the correct information on the form, and contact your agency's financial disclosure coordinator. You can find your coordinator on the Commission on Ethics website: www.ethics.state.fl.us.

NAME OF AGENCY: The name of the governmental unit which you serve or served, by which you are or were employed, or for which you are a candidate.

OFFICE OR POSITION HELD OR SOUGHT: The title of the office or position you hold, are seeking, or held during the disclosure period even if you have since left that position. If you are a candidate for office or are a new employee or appointee, check the appropriate box.

PUBLIC RECORD: The disclosure form and everything attached to it is a public record. Your Social Security Number is not required and you should redact it from any documents you file. If you are an active or former officer or employee listed in Section 119.071, F.S., whose home address is exempt from disclosure, the Commission will maintain that confidentiality if you submit a written request.

DISCLOSURE PERIOD: The tax year for most individuals is the calendar year (January 1 through December 31). If that is the case for you, then your financial interests should be reported for the calendar year 2015; check that box. If you file your IRS tax return based on a tax year that is not the calendar year, you should specify the dates of your tax year in this portion of the form and check the appropriate box. This is the "disclosure period" for your report.

MANNER OF CALCULATING REPORTABLE INTEREST

Filers have the option of reporting based on either thresholds that are comparative (usually, based on percentage values) or thresholds that are based on absolute dollar values. The instructions on the following pages specifically describe the different thresholds. Check the box that reflects the choice you have made. You must use the type of threshold you have chosen for each part of the form. In other words, if you choose to report based on absolute dollar value thresholds, you cannot use a percentage threshold on any part of the form.

IF YOU HAVE CHOSEN DOLLAR VALUE THRESHOLDS THE FOLLOWING INSTRUCTIONS APPLY

PART A — PRIMARY SOURCES OF INCOME

[Required by s. 112.3145(3)(b)1, F.S.]

Part A is intended to require the disclosure of your principal sources of income during the disclosure period. You do not have to disclose the amount of income received, and you need not list your public salary from serving in the position(s) which requires you to file this form. The income of your spouse need not be disclosed; however, if there is joint income to you and your spouse from property you own jointly (such as interest or dividends from a bank account or stocks), you should disclose the source of that income if it exceeded the threshold.

Please list in this part of the form the name, address, and principal business activity of each source of your income which exceeded $2,500 of gross income received by you in your own name or by any other person for your use or benefit.

"Gross income" means the same as it does for income tax purposes, even if the income is not actually taxable, such as interest on tax-free bonds. Examples include: compensation for services, income from business, gains from property dealings, interest, rents, dividends, pensions, IRA distributions, social security, distributive share of partnership gross income, and alimony, but not child support.

Examples:

— If you were employed by a company that manufactures computers and received more than $2,500, list the name of the company, its address, and its principal business activity (computer manufacturing).

— If you were a partner in a law firm and your distributive share of partnership gross income exceeded $2,500, list the name of the firm, its address, and its principal business activity (practice of law).

— If you were the sole proprietor of a retail gift business and your gross income from the business exceeded $2,500, list the name of the business, its address, and its principal business activity (retail gift sales).

— If you received income from investments in stocks and bonds, list each individual company from which you derived more than $2,500. Do not aggregate all of your investment income.

— If more than $2,500 of your gross income was gain from the sale of property (not just the selling price), list as a source of income the purchaser's name, address and principal business activity. If the purchaser's identity is unknown, such as where securities listed on an exchange are sold through a brokerage firm, the source of income should be listed as "sale of (name of company) stock," for example.

— If more than $2,500 of your gross income was in the form of interest from one particular financial institution (aggregating interest from all CD's, accounts, etc., at that institution), list the name of the institution, its address, and its principal business activity.

PART B — SECONDARY SOURCES OF INCOME

[Required by s. 112.3145(3)(b)2, F.S.]

This part is intended to require the disclosure of major customers, clients, and other sources of income to businesses in which you own an interest. It is not for reporting income from second jobs. That kind of income should be reported in Part A "Primary Sources of Income," if it meets the reporting threshold. You will not have anything to report unless, during the disclosure period:

(1) You owned (either directly or indirectly in the form of an equitable or beneficial interest) more than 5% of the total assets or capital stock of a business entity (a corporation, partnership, LLC, limited partnership, proprietorship, joint venture, trust, firm, etc., doing business in Florida); ***and,***

(2) You received more than $5,000 of your gross income during the disclosure period from that business entity.

If your interests and gross income exceeded these thresholds, then for that business entity you must list every source of income to the business entity which exceeded 10% of the business entity's gross income (computed on the basis of the business entity's most recently completed fiscal year), the source's address, and the source's principal business activity.

Examples:

— You are the sole proprietor of a dry cleaning business, from which you received more than $5,000. If only one customer, a uniform rental company, provided more than 10% of your dry cleaning business, you must list the name of the uniform rental company, its address, and its principal business activity (uniform rentals).

— You are a 20% partner in a partnership that owns a shopping mall and your partnership income exceeded the above thresholds. List each tenant of the mall that provided more than 10% of the partnership's gross income and the tenant's address and principal business activity.

PART C — REAL PROPERTY

[Required by s. 112.3145(3)(b)3, F.S.]

In this part, list the location or description of all real property in Florida in which you owned directly or indirectly at any time during the disclosure period in excess of 5% of the property's value. You are not required to list your residences. You should list any vacation homes if you derive income from them.

Indirect ownership includes situations where you are a beneficiary of a trust that owns the property, as well as situations where you own more than 5% of a partnership or corporation that owns the property. The value of the property may be determined by the most recently assessed value for tax purposes, in the absence of a more current appraisal.

The location or description of the property should be sufficient to enable anyone who looks at the form to identify the property. A street address should be used, if one exists.

PART D — INTANGIBLE PERSONAL PROPERTY

[Required by s. 112.3145(3)(b)3, F.S.]

Describe any intangible personal property that, at any time during the disclosure period, was worth more than $10,000 and state the business entity to which the property related. Intangible personal property includes things such as cash on hand, stocks, bonds, certificates of deposit, vehicle leases, interests in businesses, beneficial interests in trusts, money owed you, Deferred Retirement Option Program (DROP) accounts, the Florida Prepaid College Plan, and bank accounts. Intangible personal property also includes investment products held in IRAs, brokerage accounts, and the Florida College Investment Plan. Note that the product contained in a brokerage account, IRA, or the Florida College Investment Plan is your asset—not the account or plan itself. Things like automobiles and houses you own, jewelry, and paintings are not intangible property. Intangibles relating to the same business entity may be aggregated; for example, CDs and savings accounts with the same bank. Property owned as tenants by the entirety or as joint tenants with right of survivorship should be valued at 100%. The value of a leased vehicle is the vehicle's present value minus the lease residual (a number found on the lease document).

PART E — LIABILITIES

[Required by s. 112.3145(3)(b)4, F.S.]

List the name and address of each creditor to whom you owed more than $10,000 at any time during the disclosure period. The amount of the liability of a vehicle lease is the sum of any past-due payments and all unpaid prospective lease payments. You are not required to list the amount of any debt. You do not have to disclose credit card and retail installment accounts, taxes owed (unless reduced to a judgment), indebtedness on a life insurance policy owed to the company of issuance, or contingent liabilities. A "contingent liability" is one that will become an actual liability only when one or more future events occur or fail to occur, such as where you are liable only as a guarantor, surety, or endorser on a promissory note. If you are a "co-maker" and are jointly liable or jointly and severally liable, then it is not a contingent liability.

PART F — INTERESTS IN SPECIFIED BUSINESSES

[Required by s. 112.3145(5), F.S.]

The types of businesses covered in this disclosure include: state and federally chartered banks; state and federal savings and loan associations; cemetery companies; insurance companies; mortgage companies; credit unions; small loan companies; alcoholic beverage licensees; pari-mutuel wagering companies, utility companies, entities controlled by the Public Service Commission; and entities granted a franchise to operate by either a city or a county government.

Disclose in this part the fact that you owned during the disclosure period an interest in, or held any of certain positions with the types of businesses listed above. You must make this disclosure if you own or owned (either directly or indirectly in the form of an equitable or beneficial interest) at any time during the disclosure period more than 5% of the total assets or capital stock of one of the types of business entities listed above. You also must complete this part of the form for each of these types of businesses for which you are, or were at any time during the disclosure period, an officer, director, partner, proprietor, or agent (other than a resident agent solely for service of process).

If you have or held such a position or ownership interest in one of these types of businesses, list the name of the business, its address and principal business activity, and the position held with the business (if any). If you own(ed) more than a 5% interest in the business, indicate that fact and describe the nature of your interest.

PART G — TRAINING CERTIFICATION

[Required by s. 112.3142, F.S.]

If you are a Constitutional or elected municipal officer whose term began before March 31 of the year for which you are filing, you are required to complete four hours of ethics training which addresses Article II, Section 8 of the Florida Constitution, the Code of Ethics for Public Officers and Employees, and the public records and open meetings laws of the state. You are required to certify on this form that you have taken such training.

(End of Dollar Value Thresholds Instructions.)

IF YOU HAVE CHOSEN COMPARATIVE (PERCENTAGE) THRESHOLDS THE FOLLOWING INSTRUCTIONS APPLY

PART A — PRIMARY SOURCES OF INCOME

[Required by s. 112.3145(3)(a)1, F.S.]

Part A is intended to require the disclosure of your principal sources of income during the disclosure period. You do not have to disclose the amount of income received, and you need not list your public salary received from serving in the position(s) which requires you to file this form, but this amount should be included when calculating your gross income for the disclosure period. The income of your spouse need not be disclosed; however, if there is joint income to you and your spouse from property you own jointly (such as interest or dividends from a bank account or stocks), you should include all of that income when calculating your gross income and disclose the source of that income if it exceeded the threshold.

Please list in this part of the form the name, address, and principal business activity of each source of your income which exceeded 5% of the gross income received by you in your own name or by any other person for your benefit or use during the disclosure period.

"Gross income" means the same as it does for income tax purposes, even if the income is not actually taxable, such as interest on tax-free bonds. Examples include: compensation for services, income from business, gains from property dealings, interest, rents, dividends, pensions, IRA distributions, social security, distributive share of partnership gross income, and alimony, but not child support.

Examples:

— If you were employed by a company that manufactures computers and received more than 5% of your gross income from the company, list the name of the company, its address, and its principal business activity (computer manufacturing).

— If you were a partner in a law firm and your distributive share of partnership gross income exceeded 5% of your gross income, then list the name of the firm, its address, and its principal business activity (practice of law).

— If you were the sole proprietor of a retail gift business and your gross income from the business exceeded 5% of your total gross income, list the name of the business, its address, and its principal business activity (retail gift sales).

— If you received income from investments in stocks and bonds, list each individual company from which you derived more than 5% of your gross income. Do not aggregate all of your investment income.

— If more than 5% of your gross income was gain from the sale of property (not just the selling price), list as a source of income the purchaser's name, address, and principal business activity. If the purchaser's identity is unknown, such as where securities listed on an exchange are sold through a brokerage firm, the source of income should be listed as "sale of (name of company) stock," for example.

— If more than 5% of your gross income was in the form of interest from one particular financial institution (aggregating interest from all CD's, accounts, etc., at that institution), list the name of the institution, its address, and its principal business activity.

PART B — SECONDARY SOURCES OF INCOME

[Required by s. 112.3145(3)(a)2, F.S.]

This part is intended to require the disclosure of major customers, clients, and other sources of income to businesses in which you own an interest. It is not for reporting income from second jobs. That kind of income should be reported in Part A, "Primary Sources of Income," if it meets the reporting threshold. You will ***not*** have anything to report ***unless*** during the disclosure period:

(1) You owned (either directly or indirectly in the form of an equitable or beneficial interest) more than 5% of the total assets or capital stock of a business entity (a corporation, partnership, LLC, limited partnership, proprietorship, joint venture, trust, firm, etc., doing business in Florida); ***and,***

(2) You received more than 10% of your gross income from that business entity; ***and,***

(3) You received more than $1,500 in gross income from that business entity.

If your interests and gross income exceeded these thresholds, then for that business entity you must list every source of income to the business entity which exceeded 10% of the business entity's gross income (computed on the basis of the business entity's most recently completed fiscal year), the source's address, and the source's principal business activity.

Examples:

— You are the sole proprietor of a dry cleaning business, from which you received more than 10% of your gross income—an amount that was more than $1,500. If only one customer, a uniform rental company, provided more than 10% of your dry cleaning business, you must list the name of the uniform rental company, its address, and its principal business activity (uniform rentals).

— You are a 20% partner in a partnership that owns a shopping mall and your partnership income exceeded the thresholds listed above. You should list each tenant of the mall that provided more than 10% of the partnership's gross income, and the tenant's address and principal business activity.

PART C — REAL PROPERTY

[Required by s. 112.3145(3)(a)3, F.S.]

In this part, list the location or description of all real property in Florida in which you owned directly or indirectly at any time during the disclosure period in excess of 5% of the property's value. You are not required to list your residences. You should list any vacation homes, if you derive income from them.

Indirect ownership includes situations where you are a beneficiary of a trust that owns the property, as well as situations where you own more than 5% of a partnership or corporation that owns the property. The value of the property may be determined by the most recently assessed value for tax purposes, in the absence of a more current appraisal.

The location or description of the property should be sufficient to enable anyone who looks at the form to identify the property. A street address should be used, if one exists.

PART D — INTANGIBLE PERSONAL PROPERTY

[Required by s. 112.3145(3)(a)3, F.S.]

Describe any intangible personal property that, at any time during the disclosure period, was worth more than 10% of your total assets, and state the business entity to which the property related. Intangible personal property includes things such as cash on hand, stocks, bonds, certificates of deposit, vehicle leases, interests in businesses, beneficial interests in trusts, money owed you, Deferred Retirement Option Program (DROP) accounts, the Florida Prepaid College Plan, and bank accounts. Intangible personal property also includes investment products held in IRAs, brokerage accounts, and the Florida College Investment Plan. Note that the product *contained in* a brokerage account, IRA, or the Florida College Investment Plan is your asset—not the account or plan itself. Things like automobiles and houses you own, jewelry, and paintings are not intangible property. Intangibles relating to the same business entity may be aggregated; for example, CD's and savings accounts with the same bank.

Calculations: To determine whether the intangible property exceeds 10% of your total assets, total the fair market value of all of your assets (including real property, intangible property, and tangible personal property such as jewelry, furniture, etc.). When making this calculation, do not subtract any liabilities (debts) that may relate to the property. Multiply the total figure by 10% to arrive at the disclosure threshold. List only the intangibles that exceed this threshold amount. The value of a leased vehicle is the vehicle's present value minus the lease residual (a number which can be found on the lease document). Property that is only jointly owned property should be valued according to the percentage of your joint ownership. Property owned as tenants by the entirety or as joint tenants with right of survivorship should be valued at 100%. None of your calculations or the value of the property have to be disclosed on the form.

Example: You own 50% of the stock of a small corporation that is worth $100,000, the estimated fair market value of your home and other property (bank accounts, automobile, furniture, etc.) is $200,000. As your total assets are worth $250,000, you must disclose intangibles worth over $25,000. Since the value of the stock exceeds this threshold, you should list "stock" and the name of the corporation. If your accounts with a particular bank exceed $25,000, you should list "bank accounts" and bank's name.

PART E — LIABILITIES

[Required by s. 112.3145(3)(b)4, F.S.]

List the name and address of each creditor to whom you owed any amount that, at any time during the disclosure period, exceeded your net worth. You are not required to list the amount of any debt or your net worth. You do not have to disclose: credit card and retail installment accounts, taxes owed (unless reduced to a judgment), indebtedness on a life insurance policy owed to the company of issuance, or contingent liabilities. A "contingent liability" is one that will become an actual liability only when one or more future events occur or fail to occur, such as where you are liable only as a guarantor, surety, or endorser on a promissory note. If you are a "co-maker" and are jointly liable or jointly and severally liable, it is not a contingent liability.

Calculations: To determine whether the debt exceeds your net worth, total all of your liabilities (including promissory notes, mortgages, credit card debts, judgments against you, etc.). The amount of the liability of a vehicle lease is the sum of any past-due payments and all unpaid prospective lease payments. Subtract the sum total of your liabilities from the value of all your assets as calculated above for Part D. This is your "net worth." List each creditor to whom your debt exceeded this amount unless it is one of the types of indebtedness listed in the paragraph above (credit card and retail installment accounts, etc.). Joint liabilities with others for which you are "jointly and severally liable," meaning that you may be liable for either your part or the whole of the obligation, should be included in your calculations at 100% of the amount owed.

Example: You owe $15,000 to a bank for student loans, $5,000 for credit card debts, and $60,000 (with spouse) to a savings and loan for a home mortgage. Your home (owned by you and your spouse) is worth $80,000 and your other property is worth $20,000. Since your net worth is $20,000 ($100,000 minus $80,000), you must report only the name and address of the savings and loan.

PART F — INTERESTS IN SPECIFIED BUSINESSES

[Required by s. 112.3145, F.S.]

The types of businesses covered in this disclosure include: state and federally chartered banks; state and federal savings and loan associations; cemetery companies; insurance companies; mortgage companies; credit unions; small loan companies; alcoholic beverage licensees; pari-mutuel wagering companies, utility companies, entities controlled by the Public Service Commission; and entities granted a franchise to operate by either a city or a county government.

Disclose in this part the fact that you owned during the disclosure period an interest in, or held any of certain positions with, the types of businesses listed above. You are required to make this disclosure if you own or owned (either directly or indirectly in the form of an equitable or beneficial interest) at any time during the disclosure period more than 5% of the total assets or capital stock of one of the types of business entities listed above. You also must complete this part of the form for each of these types of businesses for which you are, or were at any time during the disclosure period, an officer, director, partner, proprietor, or agent (other than a resident agent solely for service of process).

If you have or held such a position or ownership interest in one of these types of businesses, list the name of the business, its address and principal business activity, and the position held with the business (if any). If you own(ed) more than a 5% interest in the business, indicate that fact and describe the nature of your interest.

PART G — TRAINING CERTIFICATION

[Required by s. 112.3142, F.S.]

If you are a Constitutional or elected municipal officer whose term began before March 31 of the year for which you are filing, you are required to complete four hours of ethics training which addresses Article II, Section 8 of the Florida Constitution, the Code of Ethics for Public Officers and Employees, and the public records and open meetings laws of the state. You are required to certify on this form that you have taken such training.

(End of Percentage Thresholds Instructions.)

FLORIDA COMMISSION ON ETHICS



GUIDE to the SUNSHINE AMENDMENT and CODE of ETHICS for Public Officers and Employees

2016

State of Florida

COMMISSION ON ETHICS

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Jacksonville

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FLORIDA COMMISSION ON ETHICS

GUIDE TO THE SUNSHINE AMENDMENT
and
CODE OF ETHICS
for
PUBLIC OFFICERS and EMPLOYEES

I. HISTORY OF FLORIDA'S ETHICS LAWS

Florida has been a leader among the states in establishing ethics standards for public officials and recognizing the right of citizens to protect the public trust against abuse. Our state Constitution was revised in 1968 to require a code of ethics, prescribed by law, for all state employees and non-judicial officers prohibiting conflict between public duty and private interests.

Florida's first successful constitutional initiative resulted in the adoption of the Sunshine Amendment in 1976, providing additional constitutional guarantees concerning ethics in government. In the area of enforcement, the Sunshine Amendment requires that there be an independent commission (the Commission on Ethics) to investigate complaints concerning breaches of public trust by public officers and employees other than judges.

The Code of Ethics for Public Officers and Employees is found in Chapter 112 (Part III) of the Florida Statutes. Foremost among the goals of the Code is to promote the public interest and maintain the respect of the people for their government. The Code is also intended to ensure that public officials conduct themselves independently and impartially, not using their offices for private gain other than compensation provided by law. While seeking to protect the integrity of government, the Code also seeks to avoid the creation of unnecessary barriers to public service.

Criminal penalties, which initially applied to violations of the Code, were eliminated in 1974 in favor of administrative enforcement. The Legislature created the Commission on Ethics that year “to serve as guardian of the standards of conduct” for public officials, state and local. Five of the Commission's nine members are appointed by the Governor, and two each are appointed by the President of the Senate and Speaker of the House of Representatives. No more than five Commission members may be members of the same political party, and none may be lobbyists, or hold any public employment during their two-year terms of office. A chair is selected from among the members to serve a one-year term and may not succeed himself or herself.

II. ROLE OF THE COMMISSION ON ETHICS

In addition to its constitutional duties regarding the investigation of complaints, the Commission:

- Renders advisory opinions to public officials;
- Prescribes forms for public disclosure;

- Prepares mailing lists of public officials subject to financial disclosure for use by Supervisors of Elections and the Commission in distributing forms and notifying delinquent filers;
- Makes recommendations to disciplinary officials when appropriate for violations of ethics and disclosure laws, since it does not impose penalties;
- Administers the Executive Branch Lobbyist Registration and Reporting Law;
- Maintains financial disclosure filings of constitutional officers and state officers and employees; and,
- Administers automatic fines for public officers and employees who fail to timely file required annual financial disclosure.

III. THE ETHICS LAWS

The ethics laws generally consist of two types of provisions, those prohibiting certain actions or conduct and those requiring that certain disclosures be made to the public. The following descriptions of these laws have been simplified in an effort to provide notice of their requirements. Therefore, we suggest that you also review the wording of the actual law. Citations to the appropriate laws are in brackets.

The laws summarized below apply generally to all public officers and employees, state and local, including members of advisory bodies. The principal exception to this broad coverage is the exclusion of judges, as they fall within the jurisdiction of the Judicial Qualifications Commission.

Public Service Commission (PSC) members and employees, as well as members of the PSC Nominating Council, are subject to additional ethics standards that are enforced by the Commission on Ethics under Chapter 350, Florida Statutes. Further, members of the governing boards of charter schools are subject to some of the provisions of the Code of Ethics [Sec. 1002.33(26), Fla. Stat.], as are the officers, directors, chief executive officers and some employees of business entities that serve as the chief administrative or executive officer or employee of a political subdivision. [Sec. 112.3136, Fla. Stat.].

A. PROHIBITED ACTIONS OR CONDUCT

1. Solicitation and Acceptance of Gifts

Public officers, employees, local government attorneys, and candidates are prohibited from soliciting or accepting anything of value, such as a gift, loan, reward, promise of future employment, favor, or service that is based on an understanding that their vote, official action, or judgment would be influenced by such gift. [Sec. 112.313(2), Fla. Stat.]

Persons required to file financial disclosure FORM 1 or FORM 6 (see Part III F of this brochure), and state procurement employees, are prohibited from **soliciting** any gift from a political committee, lobbyist who has lobbied the official or his or her agency within the past 12 months, or the partner, firm, employer, or principal of such a lobbyist or from a vendor doing business with the official's agency. [Sec. 112.3148, Fla. Stat.]

Persons required to file FORM 1 or FORM 6, and state procurement employees are prohibited from directly or indirectly **accepting** a gift worth more than $100 from such a lobbyist, from a partner, firm,

employer, or principal of the lobbyist, or from a political committee or vendor doing business with their agency. [Sec.112.3148, Fla. Stat.]

However, effective in 2006 and notwithstanding Sec. 112.3148, Fla. Stat., no Executive Branch lobbyist or principal shall make, directly or indirectly, and no Executive Branch agency official who files FORM 1 or FORM 6 shall knowingly accept, directly or indirectly, **any expenditure** made for the purpose of lobbying. [Sec. 112.3215, Fla. Stat.] Typically, this would include gifts valued at less than $100 that formerly were permitted under Section 112.3148, Fla. Stat. Similar rules apply to members and employees of the Legislature. However, these laws are not administered by the Commission on Ethics. [Sec. 11.045, Fla. Stat.]

Also, effective May 1, 2013, persons required to file Form 1 or Form 6, and state procurement employees and members of their immediate families, are prohibited from accepting any gift from a political committee. [Sec. 112.31485, Fla. Stat.]

2. Unauthorized Compensation

Public officers or employees, local government attorneys, and their spouses and minor children are prohibited from accepting any compensation, payment, or thing of value when they know, or with the exercise of reasonable care should know, that it is given to influence a vote or other official action. [Sec. 112.313(4), Fla. Stat.]

3. Misuse of Public Position

Public officers and employees, and local government attorneys are prohibited from corruptly using or attempting to use their official positions or the resources thereof to obtain a special privilege or benefit for themselves or others. [Sec. 112.313(6), Fla. Stat.]

4. Disclosure or Use of Certain Information

Public officers and employees and local government attorneys are prohibited from disclosing or using information not available to the public and obtained by reason of their public position for the personal benefit of themselves or others. [Sec. 112.313(8), Fla. Stat.]

5. Solicitation or Acceptance of Honoraria

Persons required to file financial disclosure FORM 1 or FORM 6 (see Part III F of this brochure), and state procurement employees, are prohibited from **soliciting** honoraria related to their public offices or duties. [Sec. 112.3149, Fla. Stat.]

Persons required to file FORM 1 or FORM 6, and state procurement employees, are prohibited from knowingly **accepting** an honorarium from a political committee, lobbyist who has lobbied the person's agency within the past 12 months, or the partner, firm, employer, or principal of such a lobbyist, or from a vendor doing business with the official's agency. However, they may accept the payment of expenses related to an honorarium event from such individuals or entities, provided that the expenses are disclosed. See Part III F of this brochure. [Sec. 112.3149, Fla. Stat.]

Lobbyists and their partners, firms, employers, and principals, as well as political committees and vendors, are prohibited from **giving** an honorarium to persons required to file FORM 1 or FORM 6 and to state procurement employees. Violations of this law may result in fines of up to $5,000 and prohibitions against lobbying for up to two years. [Sec. 112.3149, Fla. Stat.]

However, notwithstanding Sec. 112.3149, Fla. Stat., no Executive Branch or legislative lobbyist or principal shall make, directly or indirectly, and no Executive Branch agency official who files FORM 1 or FORM 6 shall knowingly accept, directly or indirectly, **any expenditure** made for the purpose of lobbying. [Sec. 112.3215, Fla. Stat.] This may include honorarium event related expenses that formerly were permitted under Sec. 112.3149, Fla. Stat. Similar rules apply to members and employees of the Legislature. However, these laws are not administered by the Commission on Ethics. [Sec. 11.045, Fla. Stat.]

B. PROHIBITED EMPLOYMENT AND BUSINESS RELATIONSHIPS

1. *Doing Business With One's Agency*

(a) A public employee acting as a purchasing agent, or public officer acting in an official capacity, is prohibited from purchasing, renting, or leasing any realty, goods, or services for his or her agency from a business entity in which the officer or employee or his or her spouse or child owns more than a 5% interest. [Sec. 112.313(3), Fla. Stat.]

(b) A public officer or employee, acting in a private capacity, also is prohibited from renting, leasing, or selling any realty, goods, or services to his or her own agency if the officer or employee is a state officer or employee, or, if he or she is an officer or employee of a political subdivision, to that subdivision or any of its agencies. [Sec. 112.313(3), Fla. Stat.]

2. *Conflicting Employment or Contractual Relationship*

(a) A public officer or employee is prohibited from holding any employment or contract with any business entity or agency regulated by or doing business with his or her public agency. [Sec. 112.313(7), Fla. Stat.]

(b) A public officer or employee also is prohibited from holding any employment or having a contractual relationship which will pose a frequently recurring conflict between the official's private interests and public duties or which will impede the full and faithful discharge of the official's public duties. [Sec. 112.313(7), Fla. Stat.]

(c) Limited exceptions to this prohibition have been created in the law for legislative bodies, certain special tax districts, drainage districts, and persons whose professions or occupations qualify them to hold their public positions. [Sec. 112.313(7)(a) and (b), Fla. Stat.]

3. Exemptions

Pursuant to Sec. 112.313(12), Fla. Stat., the prohibitions against doing business with one's agency and having conflicting employment may not apply:

(a) When the business is rotated among all qualified suppliers in a city or county.

(b) When the business is awarded by sealed, competitive bidding and neither the official nor his or her spouse or child have attempted to persuade agency personnel to enter the contract. NOTE: Disclosure of the interest of the official, spouse, or child and the nature of the business must be filed prior to or at the time of submission of the bid on Commission FORM 3A with the Commission on Ethics or Supervisor of Elections, depending on whether the official serves at the state or local level.

(c) When the purchase or sale is for legal advertising, utilities service, or for passage on a common carrier.

(d) When an emergency purchase must be made to protect the public health, safety, or welfare.

(e) When the business entity is the only source of supply within the political subdivision and there is full disclosure of the official's interest to the governing body on Commission FORM 4A.

(f) When the aggregate of any such transactions does not exceed $500 in a calendar year.

(g) When the business transacted is the deposit of agency funds in a bank of which a county, city, or district official is an officer, director, or stockholder, so long as agency records show that the governing body has determined that the member did not favor his or her bank over other qualified banks.

(h) When the prohibitions are waived in the case of ADVISORY BOARD MEMBERS by the appointing person or by a two-thirds vote of the appointing body (after disclosure on Commission FORM 4A).

(i) When the public officer or employee purchases in a private capacity goods or services, at a price and upon terms available to similarly situated members of the general public, from a business entity which is doing business with his or her agency.

(j) When the public officer or employee in a private capacity purchases goods or services from a business entity which is subject to the regulation of his or her agency where the price and terms of the transaction are available to similarly situated members of the general public and the officer or employee makes full disclosure of the relationship to the agency head or governing body prior to the transaction.

4. Additional Exemptions

No elected public officer is in violation of the conflicting employment prohibition when employed by a tax exempt organization contracting with his or her agency so long as the officer is not directly or indirectly compensated as a result of the contract, does not participate in any way in the decision to enter into the contract, abstains from voting on any matter involving the employer, and makes certain disclosures. [Sec. 112.313(15), Fla. Stat.] A qualified blind trust established pursuant to Sec. 112.31425, Fla. Stat., may afford an official protection from conflicts of interest arising from assets placed in the trust.

5. Lobbying State Agencies By Legislators

A member of the Legislature is prohibited from representing another person or entity for compensation during his or her term of office before any state agency other than judicial tribunals. [Art. II, Sec. 8(e), Fla. Const., and Sec. 112.313(9), Fla. Stat.]

6. Employees Holding Office

A public employee is prohibited from being a member of the governing body which serves as his or her employer. [Sec. 112.313(10), Fla. Stat.]

7. Professional and Occupational Licensing Board Members

An officer, director, or administrator of a state, county, or regional professional or occupational organization or association, while holding such position, may not serve as a member of a state examining or licensing board for the profession or occupation. [Sec. 112.313(11), Fla. Stat.]

8. *Contractual Services: Prohibited Employment*

A state employee of the executive or judicial branch who participates in the decision-making process involving a purchase request, who influences the content of any specification or procurement standard, or who renders advice, investigation, or auditing, regarding his or her agency's contract for services, is prohibited from being employed with a person holding such a contract with his or her agency. [Sec. 112.3185(2), Fla. Stat.]

9. *Local Government Attorneys*

Local government attorneys, such as the city attorney or county attorney, and their law firms are prohibited from representing private individuals and entities before the unit of local government which they serve. A local government attorney cannot recommend or otherwise refer to his or her firm legal work involving the local government unit unless the attorney's contract authorizes or mandates the use of that firm. [Sec. 112.313(16), Fla. Stat.]

10. *Dual Public Employment*

Candidates and elected officers are prohibited from accepting public employment if they know or should know it is being offered for the purpose of influence. Further, public employment may not be accepted unless the position was already in existence or was created without the anticipation of the official's interest, was publicly advertised, and the officer had to meet the same qualifications and go through the same hiring process as other applicants. For elected public officers already holding public employment, no promotion given for the purpose of influence may be accepted, nor may promotions that are inconsistent with those given other similarly situated employees. [Sec. 112.3125, Fla. Stat.]

C. RESTRICTIONS ON APPOINTING, EMPLOYING, AND CONTRACTING WITH RELATIVES

1. Anti-Nepotism Law

A public official is prohibited from seeking for a relative any appointment, employment, promotion or advancement in the agency in which he or she is serving or over which the official exercises jurisdiction or control. No person may be appointed, employed, promoted, or advanced in or to a position in an agency if such action has been advocated by a related public official who is serving in or exercising jurisdiction or control over the agency; this includes relatives of members of collegial government bodies. NOTE: This prohibition does not apply to school districts (except as provided in Sec. 1012.23, Fla. Stat.), community colleges and state universities, or to appointments of boards, other than those with land-planning or zoning responsibilities, in municipalities of fewer than 35,000 residents. Also, the approval of budgets does not constitute "jurisdiction or control" for the purposes of this prohibition. This provision does not apply to volunteer emergency medical, firefighting, or police service providers. [Sec. 112.3135, Fla. Stat.]

2. Additional Restrictions

A state employee of the executive or judicial branch or the PSC is prohibited from directly or indirectly procuring contractual services for his or her agency from a business entity of which a relative is an officer, partner, director, or proprietor, or in which the employee, or his or her spouse, or children own more than a 5% interest. [Sec. 112.3185(6), Fla. Stat.]

D. POST OFFICE HOLDING AND EMPLOYMENT (REVOLVING DOOR) RESTRICTIONS

1. Lobbying by Former Legislators, Statewide Elected Officers, and Appointed State Officers

A member of the Legislature or a statewide elected or appointed state official is prohibited for two years following vacation of office from representing another person or entity for compensation before the government body or agency of which the individual was an officer or member. Former members of the Legislature are also prohibited for two years from lobbying the executive branch. [Art. II, Sec. 8(e), Fla. Const. and Sec. 112.313(9), Fla. Stat.]

2. Lobbying by Former State Employees

Certain employees of the executive and legislative branches of state government are prohibited from personally representing another person or entity for compensation before the agency with which they were employed for a period of two years after leaving their positions, unless employed by another agency of state government. [Sec. 112.313(9), Fla. Stat.] These employees include the following:

(a) Executive and legislative branch employees serving in the Senior Management Service and Selected Exempt Service, as well as any person employed by the Department of the Lottery having authority over policy or procurement.

(b) Persons serving in the following position classifications: the Auditor General; the director of the Office of Program Policy Analysis and Government Accountability (OPPAGA); the Sergeant at Arms and Secretary of the Senate; the Sergeant at Arms and Clerk of the House of Representatives; the executive director and deputy executive director of the Commission on Ethics; an executive director, staff director, or deputy staff director of each joint committee, standing committee, or select committee of the Legislature; an executive director, staff director, executive assistant, legislative analyst, or attorney serving in the Office of the President of the Senate, the Office of the Speaker of the House of Representatives, the Senate Majority Party Office, the Senate Minority Party Office, the House Majority Party Office, or the House Minority Party Office; the Chancellor and Vice-Chancellors of the State University System; the general counsel to the Board of Regents; the president, vice presidents, and deans of each state university; any person hired on a contractual basis and having the power normally conferred upon such persons, by whatever title; and any person having the power normally conferred upon the above positions.

This prohibition does not apply to a person who was employed by the Legislature or other agency prior to July 1, 1989; who was a defined employee of the State University System or the Public Service Commission who held such employment on December 31, 1994; or who reached normal retirement age and retired by July 1, 1991. It does apply to OPS employees.

PENALTIES: Persons found in violation of this section are subject to the penalties contained in the Code (see PENALTIES, Part V) as well as a civil penalty in an amount equal to the compensation which the person received for the prohibited conduct. [Sec. 112.313(9)(a)5, Fla. Stat.]

3. Additional Restrictions on Former State Employees

A former executive or judicial branch employee or PSC employee is prohibited from having employment or a contractual relationship, at any time after retirement or termination of employment, with any business entity (other than a public agency) in connection with a contract in which the employee participated personally and substantially by recommendation or decision while a public employee. [Sec. 112.3185(3), Fla. Stat.]

A former executive or judicial branch employee or PSC employee who has retired or terminated employment is prohibited from having any employment or contractual relationship for two years with any business entity (other than a public agency) in connection with a contract for services which was within his or her responsibility while serving as a state employee. [Sec.112.3185(4), Fla. Stat.]

Unless waived by the agency head, a former executive or judicial branch employee or PSC employee may not be paid more for contractual services provided by him or her to the former agency during the first year after leaving the agency than his or her annual salary before leaving. [Sec. 112.3185(5), Fla. Stat.]

These prohibitions do not apply to PSC employees who were so employed on or before Dec. 31, 1994.

4. Lobbying by Former Local Government Officers and Employees

A person elected to county, municipal, school district, or special district office is prohibited from representing another person or entity for compensation before the government body or agency of which he or she was an officer for two years after leaving office. Appointed officers and employees of counties, municipalities, school districts, and special districts may be subject to a similar restriction by local ordinance or resolution. [Sec. 112.313(13) and (14), Fla. Stat.]

E. VOTING CONFLICTS OF INTEREST

State public officers are prohibited from voting in an official capacity on any measure which they know would inure to their own special private gain or loss. A state public officer who abstains, or who votes on a measure which the officer knows would inure to the special private gain or loss of any principal by whom he or she is retained, of the parent organization or subsidiary or sibling of a corporate principal by which he or she is retained, of a relative, or of a business associate, must make every reasonable effort to file a memorandum of voting conflict with the recording secretary in advance of the vote. If that is not possible, it must be filed within 15 days after the vote occurs. The memorandum must disclose the nature of the officer's interest in the matter.

No county, municipal, or other local public officer shall vote in an official capacity upon any measure which would inure to his or her special private gain or loss, or which the officer knows would inure to the special private gain or loss of any principal by whom he or she is retained, of the parent organization or subsidiary or sibling of a corporate principal by which he or she is retained, of a relative, or of a business associate. The officer must publicly announce the nature of his or her interest before the vote and must file a memorandum of voting conflict on Commission Form 8B with the meeting's recording officer within 15 days after the vote occurs disclosing the nature of his or her interest in the matter. However, members of community redevelopment agencies and district officers elected on a one-acre, one-vote basis are not required to abstain when voting in that capacity.

No appointed state or local officer shall participate in any matter which would inure to the officer's special private gain or loss, the special private gain or loss of any principal by whom he or she is retained, of the parent organization or subsidiary or sibling of a corporate principal by which he or she is retained, of a relative, or of a business associate, without first disclosing the nature of his or her interest in the matter. The memorandum of voting conflict (Commission Form 8A or 8B) must be filed with the meeting's recording officer, be provided to the other members of the agency, and be read publicly at the next meeting.

If the conflict is unknown or not disclosed prior to the meeting, the appointed official must orally disclose the conflict at the meeting when the conflict becomes known. Also, a written memorandum of voting conflict must be filed with the meeting's recording officer within 15 days of the disclosure being made and must be provided to the other members of the agency, with the disclosure being read publicly at the next scheduled meeting. [Sec. 112.3143, Fla. Stat.]

A qualified blind trust established pursuant to Sec. 112.31425, Fla. Stat., may afford an official protection from voting conflicts of interest arising from assets placed in the trust.

F. DISCLOSURES

Conflicts of interest may occur when public officials are in a position to make decisions that affect their personal financial interests. This is why public officers and employees, as well as candidates who run for public office, are required to publicly disclose their financial interests. The disclosure process serves to remind officials of their obligation to put the public interest above personal considerations. It also helps citizens to monitor the considerations of those who spend their tax dollars and participate in public policy decisions or administration.

All public officials and candidates do not file the same degree of disclosure; nor do they all file at the same time or place. Thus, care must be taken to determine which disclosure forms a particular official or candidate is required to file.

The following forms are described below to set forth the requirements of the various disclosures and the steps for correctly providing the information in a timely manner.

1. *FORM 1 - Limited Financial Disclosure*

Who Must File:

Persons required to file FORM 1 include all state officers, local officers, candidates for local elective office, and specified state employees as defined below (other than those officers who are required by law to file FORM 6).

STATE OFFICERS include:

1) Elected public officials not serving in a political subdivision of the state and any person appointed to fill a vacancy in such office, unless required to file full disclosure on Form 6.

2) Appointed members of each board, commission, authority, or council having statewide jurisdiction, excluding members of solely advisory bodies; but including judicial nominating commission members; directors of Enterprise Florida, Scripps Florida Funding Corporation, and CareerSource Florida, and members of the Council on the Social Status of Black Men and Boys; the Executive Director, governors, and senior managers of Citizens Property Insurance Corporation; governors and senior managers of Florida Workers' Compensation Joint Underwriting Association, board members of the Northeast Florida Regional Transportation Commission, and members of the board of Triumph Gulf Coast, Inc.; members of the board of Florida is for Veterans, Inc.; and members of the Technology Advisory Council within the Agency for State Technology.

3) The Commissioner of Education, members of the State Board of Education, the Board of Governors, and the local boards of trustees and presidents of state universities.

LOCAL OFFICERS include:

1) Persons elected to office in any political subdivision (such as municipalities, counties, and special districts) and any person appointed to fill a vacancy in such office, unless required to file full disclosure on Form 6.

2) Appointed members of the following boards, councils, commissions, authorities, or other bodies of any county, municipality, school district, independent special district, or other political subdivision: the governing body of the subdivision; a community college or junior college district board of trustees; a board having the power to enforce local code provisions; a planning or zoning board, board of adjustments or appeals, community redevelopment agency board, or other board having the power to recommend, create, or modify land planning or zoning within the political subdivision, except for citizen advisory committees, technical coordinating committees, and similar groups who only have the power to make recommendations to planning or zoning boards; a pension board or retirement board empowered to invest pension or retirement funds or to determine entitlement to or amount of a pension or other retirement benefit.

3) Any other appointed member of a local government board who is required to file a statement of financial interests by the appointing authority or the enabling legislation, ordinance, or resolution creating the board.

4) Persons holding any of these positions in local government: mayor; county or city manager; chief administrative employee or finance director of a county, municipality, or other political subdivision; county or municipal attorney; chief county or municipal building inspector; county or municipal water resources coordinator; county or municipal pollution control director; county or municipal environmental control director; county or municipal administrator with power to grant or deny a land development permit; chief of police; fire chief; municipal clerk; appointed district school superintendent; community college president; district medical examiner; purchasing agent (regardless of title) having the authority to make any purchase exceeding $20,000 for the local governmental unit.

5) Members of governing boards of charter schools operated by a city or other public entity.

6) The officers, directors, and chief executive officer of a corporation, partnership, or other business entity that is serving as the chief administrative or executive officer or employee of a political subdivision, and any business entity employee who is acting as the chief administrative or executive officer or employee of the political subdivision. [Sec. 112.3136, Fla. Stat.]

SPECIFIED STATE EMPLOYEE includes:

1) Employees in the Office of the Governor or of a Cabinet member who are exempt from the Career Service System, excluding secretarial, clerical, and similar positions.

2) The following positions in each state department, commission, board, or council: secretary or state surgeon general, assistant or deputy secretary, executive director, assistant or deputy executive director, and anyone having the power normally conferred upon such persons, regardless of title.

3) The following positions in each state department or division: director, assistant or deputy director, bureau chief, assistant bureau chief, and any person having the power normally conferred upon such persons, regardless of title.

4) Assistant state attorneys, assistant public defenders, criminal conflict and civil regional counsel, assistant criminal conflict and civil regional counsel, public counsel, full-time state employees serving as counsel or assistant counsel to a state agency, judges of compensation claims, administrative law judges, and hearing officers.

5) The superintendent or director of a state mental health institute established for training and research in the mental health field, or any major state institution or facility established for corrections, training, treatment, or rehabilitation.

6) State agency business managers, finance and accounting directors, personnel officers, grant coordinators, and purchasing agents (regardless of title) with power to make a purchase exceeding $20,000.

7) The following positions in legislative branch agencies: each employee (other than those employed in maintenance, clerical, secretarial, or similar positions and legislative assistants exempted by the presiding officer of their house); and each employee of the Commission on Ethics.

What Must Be Disclosed:

FORM 1 requirements are set forth fully on the form. In general, this includes the reporting person's sources and types of financial interests, such as the names of employers and addresses of real property holdings. NO DOLLAR VALUES ARE REQUIRED TO BE LISTED. In addition, the form requires the disclosure of certain relationships with, and ownership interests in, specified types of businesses such as banks, savings and loans, insurance companies, and utility companies.

When to File:

CANDIDATES for elected local office must file FORM 1 together with and at the same time they file their qualifying papers.

STATE and LOCAL OFFICERS and SPECIFIED STATE EMPLOYEES are required to file disclosure by July 1 of each year. They also must file within thirty days from the date of appointment or the beginning of employment. Those appointees requiring Senate confirmation must file prior to confirmation.

Where to File:

Each LOCAL OFFICER files FORM 1 with the Supervisor of Elections in the county in which he or she permanently resides.

A STATE OFFICER or SPECIFIED STATE EMPLOYEE files with the Commission on Ethics. [Sec. 112.3145, Fla. Stat.]

2. *FORM 1F - Final Form 1 Limited Financial Disclosure*

FORM 1F is the disclosure form required to be filed within 60 days after a public officer or employee required to file FORM 1 leaves his or her public position. The form covers the disclosure period between January 1 and the last day of office or employment within that year.

3. *FORM 2 - Quarterly Client Disclosure*

The state officers, local officers, and specified state employees listed above, as well as elected constitutional officers, must file a FORM 2 if they or a partner or associate of their professional firm represent a client for compensation before an agency at their level of government.

A FORM 2 disclosure includes the names of clients represented by the reporting person or by any partner or associate of his or her professional firm for a fee or commission before agencies at the reporting person's level of government. Such representations do not include appearances in ministerial matters, appearances before judges of compensation claims, or representations on behalf of one's agency in one's official capacity. Nor does the term include the preparation and filing of forms and applications merely for the purpose of obtaining or transferring a license, so long as the issuance of the license does not require a variance, special consideration, or a certificate of public convenience and necessity.

When to File:

This disclosure should be filed quarterly, by the end of the calendar quarter following the calendar quarter during which a reportable representation was made. FORM 2 need not be filed merely to indicate that no reportable representations occurred during the preceding quarter; it should be filed ONLY when reportable representations were made during the quarter.

Where To File:

LOCAL OFFICERS file with the Supervisor of Elections of the county in which they permanently reside.

STATE OFFICERS and SPECIFIED STATE EMPLOYEES file with the Commission on Ethics. [Sec. 112.3145(4), Fla. Stat.]

4. *FORM 6 - Full and Public Disclosure*

Who Must File:

Persons required by law to file FORM 6 include all elected constitutional officers and candidates for such office; the mayor and members of the city council and candidates for these offices in Jacksonville; the Duval County Superintendent of Schools; judges of compensation claims (pursuant to Sec. 440.442, Fla. Stat.); and members of the Florida Housing Finance Corporation Board and the Florida Prepaid College Board; and members of expressway authorities, transportation authorities (except the

Jacksonville Transportation Authority), bridge authority, or toll authorities created pursuant to Ch. 348 or 343, or 349, or other general law.

What Must be Disclosed:

FORM 6 is a detailed disclosure of assets, liabilities, and sources of income over $1,000 and their values, as well as net worth. Officials may opt to file their most recent income tax return in lieu of listing sources of income but still must disclose their assets, liabilities, and net worth. In addition, the form requires the disclosure of certain relationships with, and ownership interests in, specified types of businesses such as banks, savings and loans, insurance companies, and utility companies.

When and Where To File:

Incumbent officials must file FORM 6 annually by July 1 with the Commission on Ethics. CANDIDATES must file with the officer before whom they qualify at the time of qualifying. [Art. II, Sec. 8(a) and (i), Fla. Const., and Sec. 112.3144, Fla. Stat.]

5. *FORM 6F - Final Form 6 Full and Public Disclosure*

This is the disclosure form required to be filed within 60 days after a public officer or employee required to file FORM 6 leaves his or her public position. The form covers the disclosure period between January 1 and the last day of office or employment within that year.

6. *FORM 9 - Quarterly Gift Disclosure*

Each person required to file FORM 1 or FORM 6, and each state procurement employee, must file a FORM 9, Quarterly Gift Disclosure, with the Commission on Ethics on the last day of any calendar quarter following the calendar quarter in which he or she received a gift worth more than $100, other than gifts from relatives, gifts prohibited from being accepted, gifts primarily associated with his or her business or employment, and gifts otherwise required to be disclosed. FORM 9 NEED NOT BE FILED if no such gift was received during the calendar quarter.

Information to be disclosed includes a description of the gift and its value, the name and address of the donor, the date of the gift, and a copy of any receipt for the gift provided by the donor. [Sec. 112.3148, Fla. Stat.]

7. *FORM 10 - Annual Disclosure of Gifts from Government Agencies and Direct-Support Organizations and Honorarium Event Related Expenses*

State government entities, airport authorities, counties, municipalities, school boards, water management districts, and the South Florida Regional Transportation Authority, may give a gift worth more than $100 to a person required to file FORM 1 or FORM 6, and to state procurement employees, if a public purpose can be shown for the gift. Also, a direct-support organization for a governmental entity may give such a gift to a person who is an officer or employee of that entity. These gifts are to be reported on FORM 10, to be filed by July 1.

The governmental entity or direct-support organization giving the gift must provide the officer or employee with a statement about the gift no later than March 1 of the following year. The officer or employee then must disclose this information by filing a statement by July 1 with his or her annual financial disclosure that describes the gift and lists the donor, the date of the gift, and the value of the total gifts provided during the calendar year. State procurement employees file their statements with the Commission on Ethics. [Sec. 112.3148, Fla. Stat.]

In addition, a person required to file FORM 1 or FORM 6, or a state procurement employee, who receives expenses or payment of expenses related to an honorarium event from someone who is prohibited from giving him or her an honorarium, must disclose annually the name, address, and affiliation of the donor, the amount of the expenses, the date of the event, a description of the expenses paid or provided, and the total value of the expenses on FORM 10. The donor paying the expenses must provide the officer or employee with a statement about the expenses within 60 days of the honorarium event.

The disclosure must be filed by July 1, for expenses received during the previous calendar year, with the officer's or employee's FORM 1 or FORM 6. State procurement employees file their statements with the Commission on Ethics. [Sec. 112.3149, Fla. Stat.]

However, notwithstanding Sec. 112.3149, Fla. Stat., no executive branch or legislative lobbyist or principal shall make, directly or indirectly, and no executive branch agency official or employee who files FORM 1 or FORM 6 shall knowingly accept, directly or indirectly, **any expenditure** made for the purpose of lobbying. This may include gifts or honorarium event related expenses that formerly were permitted under Sections 112.3148 and 112.3149. [Sec. 112.3215, Fla. Stat.] Similar prohibitions apply to legislative officials and employees. However, these laws are not administered by the Commission on Ethics. [Sec. 11.045, Fla. Stat.] In addition, gifts, which include anything not primarily related to political activities authorized under ch.106, are prohibited from political committees. [Sec. 112.31485 Fla. Stat.]

8. *FORM 30 - Donor's Quarterly Gift Disclosure*

As mentioned above, the following persons and entities generally are prohibited from giving a gift worth more than $100 to a reporting individual (a person required to file FORM 1 or FORM 6) or to a state procurement employee; a political committee; a lobbyist who lobbies the reporting individual's or procurement employee's agency, and the partner, firm, employer, or principal of such a lobbyist; and vendors. If such person or entity makes a gift worth between $25 and $100 to a reporting individual or state procurement employee (that is not accepted in behalf of a governmental entity or charitable organization), the gift should be reported on FORM 30. The donor also must notify the recipient at the time the gift is made that it will be reported.

The FORM 30 should be filed by the last day of the calendar quarter following the calendar quarter in which the gift was made. If the gift was made to an individual in the legislative branch, FORM 30 should be filed with the Lobbyist Registrar. [See page 35 for address.] If the gift was to any other reporting individual or state procurement employee, FORM 30 should be filed with the Commission on Ethics.

However, notwithstanding Section 112.3148, Fla. Stat., no executive branch lobbyist or principal shall make, directly or indirectly, and no executive branch agency official or employee who files FORM 1 or

FORM 6 shall knowingly accept, directly or indirectly, **any expenditure** made for the purpose of lobbying. This may include gifts that formerly were permitted under Section 112.3148. [Sec. 112.3215, Fla. Stat.] Similar prohibitions apply to legislative officials and employees. However, these laws are not administered by the Commission on Ethics. [Sec. 11.045, Fla. Stat.] In addition, gifts from political committees are prohibited. [Sec. 112.31485, Fla. Stat.]

9. *FORM 1X AND FORM 6X - Amendments to Form 1 and Form 6*

These forms are provided for officers or employees to amend their previously filed Form 1 or Form 6.

IV. AVAILABILITY OF FORMS

LOCAL OFFICERS and EMPLOYEES who must file FORM 1 annually will be sent the form by mail from the Supervisor of Elections in the county in which they permanently reside not later than JUNE 1 of each year. Newly elected and appointed officials or employees should contact the heads of their agencies for copies of the form or download it from www.ethics.state.fl.us, as should those persons who are required to file their final disclosure statements within 60 days of leaving office or employment.

ELECTED CONSTITUTIONAL OFFICERS, OTHER STATE OFFICERS, and SPECIFIED STATE EMPLOYEES who must file annually FORM 1 or 6 will be sent these forms by mail from the Commission on Ethics by JUNE 1 of each year. Newly elected and appointed officers and employees should contact the heads of their agencies or the Commission on Ethics for copies of the form or download it from www.ethics.state.fl.us, as should those persons who are required to file their final disclosure statements within 60 days of leaving office or employment.

Any person needing one or more of the other forms described here may also obtain them from a Supervisor of Elections or from the Commission on Ethics, P.O. Drawer 15709, Tallahassee, Florida 32317-5709. They are also available on the Commission's website: www.ethics.state.fl.us.

V. PENALTIES

A. Non-criminal Penalties for Violation of the Sunshine Amendment and the Code of Ethics

There are no criminal penalties for violation of the Sunshine Amendment and the Code of Ethics. Penalties for violation of these laws may include: impeachment, removal from office or employment, suspension, public censure, reprimand, demotion, reduction in salary level, forfeiture of no more than one-third salary per month for no more than twelve months, a civil penalty not to exceed $10,000, and restitution of any pecuniary benefits received, and triple the value of a gift from a political committee.

B. Penalties for Candidates

CANDIDATES for public office who are found in violation of the Sunshine Amendment or the Code of Ethics may be subject to one or more of the following penalties: disqualification from being on the ballot, public censure, reprimand, or a civil penalty not to exceed $10,000, and triple the value of a gift received from a political committee.

C. Penalties for Former Officers and Employees

FORMER PUBLIC OFFICERS or EMPLOYEES who are found in violation of a provision applicable to former officers or employees or whose violation occurred prior to such officer's or employee's leaving public office or employment may be subject to one or more of the following penalties: public censure and reprimand, a civil penalty not to exceed $10,000, and restitution of any pecuniary benefits received, and triple the value of a gift received from a political committee.

D. Penalties for Lobbyists and Others

An executive branch lobbyist who has failed to comply with the Executive Branch Lobbying Registration law (see Part VIII) may be fined up to $5,000, reprimanded, censured, or prohibited from lobbying executive branch agencies for up to two years. Lobbyists, their employers, principals, partners, and firms, and political committees and committees of continuous existence who give a prohibited gift or honorarium or fail to comply with the gift reporting requirements for gifts worth between $25 and $100, may be penalized by a fine of not more than $5,000 and a prohibition on lobbying, or employing a lobbyist to lobby, before the agency of the public officer or employee to whom the gift was given for up to two years. Any agent or person acting on behalf of a political committee giving a prohibited gift is personally liable for a civil penalty of up to triple the value of the gift.

Executive Branch lobbying firms that fail to timely file their quarterly compensation reports may be fined $50 per day per principal for each day the report is late, up to a maximum fine of $5,000 per report.

E. Felony Convictions: Forfeiture of Retirement Benefits

Public officers and employees are subject to forfeiture of all rights and benefits under the retirement system to which they belong if convicted of certain offenses. The offenses include embezzlement or theft of public funds; bribery; felonies specified in Chapter 838, Florida Statutes; impeachable offenses; and felonies committed with intent to defraud the public or their public agency. [Sec. 112.3173, Fla. Stat.]

F. Automatic Penalties for Failure to File Annual Disclosure

Public officers and employees required to file either Form 1 or Form 6 annual financial disclosure are subject to automatic fines of $25 for each day late the form is filed after September 1, up to a maximum penalty of $1,500. [Sec. 112.3144 and 112.3145, Fla. Stat.]

VI. ADVISORY OPINIONS

Conflicts of interest may be avoided by greater awareness of the ethics laws on the part of public officials and employees through advisory assistance from the Commission on Ethics.

A. Who Can Request an Opinion

Any public officer, candidate for public office, or public employee in Florida who is in doubt about the applicability of the standards of conduct or disclosure laws to himself or herself, or anyone who has

the power to hire or terminate another public employee, may seek an advisory opinion from the Commission about himself or herself or that employee.

B. How to Request an Opinion

Opinions may be requested by letter presenting a question based on a real situation and including a detailed description of the situation. Opinions are issued by the Commission and are binding on the conduct of the person who is the subject of the opinion, unless material facts were omitted or misstated in the request for the opinion. Published opinions will not bear the name of the persons involved unless they consent to the use of their names; however, the request and all information pertaining to it is a public record, made available to the Commission and to members of the public in advance of the Commission's consideration of the question.

C. How to Obtain Published Opinions

All of the Commission's opinions are available for viewing or download at its website: www.ethics.state.fl.us.

VII. COMPLAINTS

A. Citizen Involvement

The Commission on Ethics cannot conduct investigations of alleged violations of the Sunshine Amendment or the Code of Ethics unless a person files a sworn complaint with the Commission alleging such violation has occurred, or a referral is received, as discussed below.

If you have knowledge that a person in government has violated the standards of conduct or disclosure laws described above, you may report these violations to the Commission by filing a sworn complaint on the form prescribed by the Commission and available for download at www.ethics.state.fl.us. The Commission is unable to take action based on learning of such misdeeds through newspaper reports, telephone calls, or letters.

You can obtain a complaint form (FORM 50), by contacting the Commission office at the address or phone number shown on the inside front cover of this booklet, or you can download it from the Commission's website: www.ethics.state.fl.us.

B. Referrals

The Commission may accept referrals from: the Governor, the Florida Department of Law Enforcement, a State Attorney, or a U.S. Attorney. A vote of six of the Commission's nine members is required to proceed on such a referral.

C. Confidentiality

The complaint or referral, as well as all proceedings and records relating thereto, is confidential until the accused requests that such records be made public or until the matter reaches a stage in the

Commission's proceedings where it becomes public. This means that unless the Commission receives a written waiver of confidentiality from the accused, the Commission is not free to release any documents or to comment on a complaint or referral to members of the public or press, so long as the complaint or referral remains in a confidential stage.

A COMPLAINT OR REFERRAL MAY NOT BE FILED WITH RESPECT TO A CANDIDATE ON THE DAY OF THE ELECTION, OR WITHIN THE 30 CALENDAR DAYS PRECEDING THE ELECTION DATE, UNLESS IT IS BASED ON PERSONAL INFORMATION OR INFORMATION OTHER THAN HEARSAY.

D. How the Complaint Process Works

Complaints which allege a matter within the Commission's jurisdiction are assigned a tracking number and Commission staff forwards a copy of the original sworn complaint to the accused within five working days of its receipt. Any subsequent sworn amendments to the complaint also are transmitted within five working days of their receipt.

Once a complaint is filed, it goes through three procedural stages under the Commission's rules. The first stage is a determination of whether the allegations of the complaint are legally sufficient: that is, whether they indicate a possible violation of any law over which the Commission has jurisdiction. If the complaint is found not to be legally sufficient, the Commission will order that the complaint be dismissed without investigation, and all records relating to the complaint will become public at that time.

In cases of very minor financial disclosure violations, the official will be allowed an opportunity to correct or amend his or her disclosure form. Otherwise, if the complaint is found to be legally sufficient, a preliminary investigation will be undertaken by the investigative staff of the Commission. The second stage of the Commission's proceedings involves this preliminary investigation and a decision by the Commission as to whether there is probable cause to believe that there has been a violation of any of the ethics laws. If the Commission finds no probable cause to believe there has been a violation of the ethics laws, the complaint will be dismissed and will become a matter of public record. If the Commission finds probable cause to believe there has been a violation of the ethics laws, the complaint becomes public and usually enters the third stage of proceedings. This stage requires the Commission to decide whether the law was actually violated and, if so, whether a penalty should be recommended. At this stage, the accused has the right to request a public hearing (trial) at which evidence is presented or the Commission may order that such a hearing be held. Public hearings usually are held in or near the area where the alleged violation occurred.

When the Commission concludes that a violation has been committed, it issues a public report of its findings and may recommend one or more penalties to the appropriate disciplinary body or official.

When the Commission determines that a person has filed a complaint with knowledge that the complaint contains one or more false allegations or with reckless disregard for whether the complaint contains false allegations, the complainant will be liable for costs plus reasonable attorney's fees incurred by the person complained against. The Department of Legal Affairs may bring a civil action to recover such fees and costs, if they are not paid voluntarily within 30 days.

E. Dismissal of Complaints At Any Stage of Disposition

The Commission may, at its discretion, dismiss any complaint at any stage of disposition should it determine that the public interest would not be served by proceeding further, in which case the Commission will issue a public report stating with particularity its reasons for the dismissal. [Sec. 112.324(12), Fla. Stat.]

F. Statute of Limitations

All sworn complaints alleging a violation of the Sunshine Amendment or the Code of Ethics must be filed with the Commission within five years of the alleged violation or other breach of the public trust. Time starts to run on the day AFTER the violation or breach of public trust is committed. The statute of limitations is tolled on the day a sworn complaint is filed with the Commission. If a complaint is filed and the statute of limitations has run, the complaint will be dismissed. [Sec. 112.3231, Fla. Stat.]

VIII. EXECUTIVE BRANCH LOBBYING

Any person who, for compensation and on behalf of another, lobbies an agency of the executive branch of state government with respect to a decision in the area of policy or procurement may be required to register as an executive branch lobbyist. Registration is required before lobbying an agency and is renewable annually. In addition, each lobbying firm must file a compensation report with the Commission for each calendar quarter during any portion of which one or more of the firm's lobbyists were registered to represent a principal. As noted above, no executive branch lobbyist or principal can make, directly or indirectly, and no executive branch agency official or employee who files FORM 1 or FORM 6 can knowingly accept, directly or indirectly, **any expenditure** made for the purpose of lobbying. [Sec. 112.3215, Fla. Stat.]

Paying an executive branch lobbyist a contingency fee based upon the outcome of any specific executive branch action, and receiving such a fee, is prohibited. A violation of this prohibition is a first degree misdemeanor, and the amount received is subject to forfeiture. This does not prohibit sales people from receiving a commission. [Sec. 112.3217, Fla. Stat.]

Executive branch departments, state universities, community colleges, and water management districts are prohibited from using public funds to retain an executive branch (or legislative branch) lobbyist, although these agencies may use full-time employees as lobbyists. [Sec. 11.062, Fla. Stat.]

Online registration and filing is available at www.floridalobbyist.gov. Additional information about the executive branch lobbyist registration system may be obtained by contacting the Lobbyist Registrar at the following address:

Executive Branch Lobbyist Registration
Room G-68, Claude Pepper Building
111 W. Madison Street
Tallahassee, FL 32399-1425
Phone: 850/922-4987

IX. WHISTLE-BLOWER'S ACT

In 1986, the Legislature enacted a “Whistle-blower's Act” to protect employees of agencies and government contractors from adverse personnel actions in retaliation for disclosing information in a sworn complaint alleging certain types of improper activities. Since then, the Legislature has revised this law to afford greater protection to these employees.

While this language is contained within the Code of Ethics, the Commission has no jurisdiction or authority to proceed against persons who violate this Act. Therefore, a person who has disclosed information alleging improper conduct governed by this law and who may suffer adverse consequences as a result should contact one or more of the following: the Office of the Chief Inspector General in the Executive Office of the Governor; the Department of Legal Affairs; the Florida Commission on Human Relations; or a private attorney. [Sec. 112.3187 - 112.31895, Fla. Stat.]

X. ADDITIONAL INFORMATION

As mentioned above, we suggest that you review the language used in each law for a more detailed understanding of Florida's ethics laws. The “Sunshine Amendment” is Article II, Section 8, of the Florida Constitution. The Code of Ethics for Public Officers and Employees is contained in Part III of Chapter 112, Florida Statutes.

Additional information about the Commission's functions and interpretations of these laws may be found in Chapter 34 of the Florida Administrative Code, where the Commission's rules are published, and in The Florida Administrative Law Reports, which until 2005 published many of the Commission's final orders. The Commission's rules, orders, and opinions also are available at www.ethics.state.fl.us.

If you are a public officer or employee concerned about your obligations under these laws, the staff of the Commission will be happy to respond to oral and written inquiries by providing information about the law, the Commission's interpretations of the law, and the Commission's procedures.

XI. TRAINING

Constitutional officers and elected municipal officers are required to receive a total of four hours training, per calendar year, in the area of ethics, public records, and open meetings. The Commission on Ethics does not track compliance or certify providers.

Visit the training page on the Commission's website for up-to-date rules, opinions, audio/video training, and opportunities for live training conducted by Commission staff. A comprehensive online training course addressing Florida's Code of Ethics, as well as Sunshine Law, and Public Records Act is available via a link on the Commission's homepage.

EXHIBIT 4

RESOLUTION 2017-11

A RESOLUTION DESIGNATING OFFICERS OF THE AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT

WHEREAS, the Board of Supervisors of the Avalon Groves Community Development District during the business meeting held on January 18, 2017 desires to appoint the below recited persons to the offices specified.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT:

1. The following persons were appointed to the offices shown, to wit:

Jim Harvey	Chairman
Greg Meath	Vice Chairman
Patricia Comings-Thibault	Secretary
Patricia Comings- Thibault	Treasurer
Maik Aagaard	Assistant Treasurer
Carolyn Stewart & Janet Johns	Assistant Secretary
Troy Simpson	Assistant Secretary
David Langhout	Assistant Secretary
	Assistant Secretary

2. That this resolution supersedes all previous resolutions and motions designating, electing or appointing officers adopted by the Board of Supervisors of the Avalon Groves Community Development District and are hereby declared null and void.

Adopted this 18th day of January 2017

Signature	Signature
Printed Name	Printed Name
Title: □ Secretary □ Assistant Secretary	Title: □ Chairperson □ Vice Chairperson

EXHIBIT 5

EVALUATION CRITERIA

SERENOA, PHASE 1A CONSTRUCTION SERVICES
AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT
LAKE COUNTY, FLORIDA

PERSONNEL **(5 POINTS)**

E.g., adequacy and capabilities of key personnel, including the project manager and field supervisor; present ability to manage this project; evaluation of existing work load; proposed staffing levels, etc.

EXPERIENCE **(15 POINTS)**

E.g., past record and experience of the respondent in self performing similar projects; past performance for this District and other CDD's in other contracts; character, integrity, reputation of respondent, etc.;

UNDERSTANDING SCOPE OF WORK **(10 POINTS)**

Demonstration of the Proposer's understanding of the project requirements.

FINANCIAL CAPABILITY **(10 POINTS)**

Extent to which the proposal demonstrates the adequacy of Proposer's financial resources and stability as a business entity, necessary to complete the services required; current bonding capacity; ownership of assets including equipment.

GEOGRAPHIC LOCATION **(10 POINTS)**

Proximity of proposer within fifty (50) miles to project jobsite.

SCHEDULE **(25 POINTS)**

Demonstration of Proposer's understanding (through presentation in the proposal of a milestone schedule) of how to meet the required substantial and final completion dates. Consideration will be given to proposers that indicate an ability to credibly complete the project in advance of the required substantial and final completion dates without a premium cost for accelerated work.

PRICE **(25 POINTS)**

Points available for price will be allocated as follows:

15 Points will be awarded to the Proposer submitting the lowest cost proposal for completing the work. All other Proposers will receive a percentage of this amount based upon the difference between the Proposer's bid and the low proposer.

10 Points are allocated for the reasonableness of unit prices and balance of proposer.

TOTAL POINTS **(100 POINTS)**

Serenoa Village 1 - Phase 1A

Subdivision Infrastructure

Schedule of Estimated Quantities and Unit Prices

BID SUMMARY

	KEARNEY	JON M. HALL	JR. DAVIS	WATSON CIVIL
SITEWORK:	$ 637,779.57	$ 530,654.50	$ 696,863.00	$ 1,556,101.00
STREETS:	$ 397,104.84	$ 404,368.15	$ 470,911.85	$ 508,541.75
DRAINAGE:	$ 317,222.60	$ 288,795.50	$ 296,627.00	$ 393,147.00
SANITARY SEWER COLLECTION SYSTEM:	$ 534,494.89	$ 516,976.30	$ 696,134.00	$ 870,447.00
WATER DISTRIBUTION SYSTEM:	$ 169,538.33	$ 156,910.00	$ 171,729.00	$ 236,497.00
RECLAIMED WATER DISTRIBUTION SYSTEM:	$ 141,792.06	$ 144,061.80	$ 159,935.00	$ 211,920.50
PERFORMANCE BOND COSTS:	$ 28,825.99	$ 49,700.00	$ 27,000.00	INCL.
TOTAL:	**$ 2,226,758.28**	**$ 2,091,466.25**	**$ 2,519,199.85**	**$ 3,776,654.25**
TOTAL DAYS TO COMPLETION:	**SEE GRAND SUMMARY**	**SEE GRAND SUMMARY**	**SEE GRAND SUMMARY**	**SEE GRAND SUMMARY**

The principle items of work and quantities shown herein are approximate only and are furnished solely for the purpose of showing the approximate scope of work to be performed. The Contractor shall examine the site of the work and shall inform himself fully in regard to all conditions pertaining to the place where the work is done. Contractor shall perform his own quantity take-off and shall submit his bid showing the items of all work, unit prices and lump sum price for all work called for in the plans, specifications and contract documents based on his assessment of the work to be performed. No claim shall be made against Heidt Design, nor the owner for any errors or omissions in the Contractor's items of work and quantities, and the unit prices shall only be used as a basis of payment for items specifically added or deleted upon change order approved by owner and Heidt Design and as a basis for computing partial pay estimates when called for in the Contract.

NOTE: Unit prices for all underground construction shall include those costs necessary to comply with the "TRENCH AND SAFETY ACT" and conform with all Occupational Safety and Health Administration (O.S.H.A.) regulations.

NOTE: QUANTITIES IN **BOLD** REFLECT CONTRACTOR TAKE-OFF QUANTITIES; ADDITIONAL ITEMS ARE NOTED AS "**ADD**" FOR THE ITEM NO.

Serenoa Village 1 - Phase 1A
Subdivision Infrastructure

SITEWORK

Item No.	Description	Unit	Estimated Quantity	KEARNEY Unit Price	KEARNEY Total Amount	JON M. HALL Unit Price	JON M. HALL Total Amount	JR. DAVIS Unit Price	JR. DAVIS Total Amount	WATSON CIVIL Unit Price	WATSON CIVIL Total Amount
1.	Compliance with FDEP Generic NPDES Permit	LS	1	$ 66,100.18	$ 66,100.18	$ 3,750.00	$ 3,750.00	$ 1,225.00	$ 1,225.00	$ 5,000.00	$ 5,000.00
2.	Clearing and Grubbing	LS	1	$ 177,440.09	$ 177,440.09	$ 127,410.00	$ 127,410.00	$ 74,000.00	$ 74,000.00	$ 475,000.00	$ 475,000.00
3.	Solid Sod (Side slopes steeper than 5:1)	LS	1	($ 2.46 SY)	$ 54,139.68	($ 0.00 SY)	$ -	($ 0.00 SY)	$ 67,000.00	($ 0.00 SY)	$ 54,600.00
4.	Grass and Mulch (All disturbed areas)	LS	1	($ 0.34 SY)	$ 32,842.98	($ 0.00 SY)	$ 86,600.00	($ 0.00 SY)	$ 55,345.00	($ 0.00 SY)	$ 61,300.00
5.	Unclassified Excavation	LS	1	$ 40,782.05	$ 40,782.05	$ 54,903.10	$ 54,903.10	$ 95,000.00	$ 95,000.00	$ 120,000.00	$ 120,000.00
6.	Wetland and Deleterious Soils Removal (if required)	LS	1	$ 10,637.00	$ 10,637.00	$ 2,153.80	$ 2,153.80	$ -	$ -	$ 20,000.00	$ 20,000.00
7.	Off-site Fill (if required)	LS	1	"NOT REQUIRED"		"NOT REQUIRED"		"NOT REQUIRED"		$ 1.00	$ 1.00
8.	Pond "100" (complete)	LS	1	$ 37,886.03	$ 37,886.03	$ 72,266.35	$ 72,266.35	$ 55,230.00	$ 55,230.00	$ 150,000.00	$ 150,000.00
9.	Pond "101" (complete)	LS	1	$ 150,655.70	$ 150,655.70	$ 112,133.25	$ 112,133.25	$ 268,547.00	$ 268,547.00	$ 450,000.00	$ 450,000.00
10.	Pond "102" (complete)	LS	1	$ 8,448.83	$ 8,448.83	$ 13,428.25	$ 13,428.25	$ 14,075.00	$ 14,075.00	$ 50,000.00	$ 50,000.00
11.	Floodplain Pond "FC 100" (complete)	LS	1	$ 37,295.96	$ 37,295.96	$ 47,076.75	$ 47,076.75	$ 48,000.00	$ 48,000.00	$ 140,000.00	$ 140,000.00
12.	Swale/Sump Construction	LS	1	$ 5,580.87	$ 5,580.87	$ 4,716.00	$ 4,716.00	$ 5,400.00	$ 5,400.00	$ 5,000.00	$ 5,000.00
13.	Staked Erosion Control *	LF	6,300	$ 2.58	**$ 15,970.20**	$ 0.99	$ 6,217.00	$ 2.07	$ 13,041.00	$ 4.00	$ 25,200.00
				TOTAL:	**$ 637,779.57**	**TOTAL:**	**$ 530,654.50**	**TOTAL:**	**$ 696,863.00**	**TOTAL:**	**$ 1,556,101.00**
ADD	**ALTERNATE NO. 1 (PER ADDENDUMS 5 & 6)**										
1.	Onsite Cut - Stockpile (Ponds)	CY	31,495	$ 1.71	$ 53,856.45	$ -	$ 128,255.00	$ -	$ -	$ -	$ -

* Includes all costs for installation, maintenance and removal after project has been stabilized.

STREETS

Item No.	Description	Unit	Estimated Quantity	KEARNEY Unit Price	KEARNEY Total Amount	JON M. HALL Unit Price	JON M. HALL Total Amount	JR. DAVIS Unit Price	JR. DAVIS Total Amount	WATSON CIVIL Unit Price	WATSON CIVIL Total Amount
1.	Maintenance of Traffic	LS	1	$ 931.00	$ 931.00	$ 8,530.00	$ 8,530.00	$ -	$ -	$ 1,000.00	$ 1,000.00
2.	Signing and Pavement Marking	LS	1	$ 4,420.92	$ 4,420.92	$ 5,700.00	$ 5,700.00	$ 7,100.00	$ 7,100.00	$ 10,000.00	$ 10,000.00
3.	Saw-Cut and Match Existing Pavement	LS	1	$ 1,366.92	$ 1,366.92	$ 1,925.00	$ 1,925.00	$ 600.00	$ 600.00	$ 900.00	$ 900.00
4.	Modify Sawgrass Bay Blvd Intersection	LS	1	"TO BE DETERMINED"		"TO BE DETERMINED"		"TO BE DETERMINED"		$ 1,000.00	$ 1,000.00
5.	1½" Asphaltic Surface Course (Type S-3)	SY	10,005	$ 7.97	$ 79,739.85	$ 8.40	**$ 83,714.40**	$ 8.65	$ 86,543.25	$ 10.00	$ 100,050.00
6.	6" Limerock Base	SY	10,005	$ 8.64	$ 86,443.20	$ 8.40	**$ 83,714.40**	$ 11.22	$ 112,256.10	$ 11.25	$ 112,556.25

Serenoa Village 1 - Phase 1A
Subdivision Infrastructure

7.	12" Stabilized Subgrade	SY	10,005	$	5.54	$	55,427.70	$	3.85	**$**	**48,552.35**	$	6.00	$	60,030.00	$	8.50	**$**	**101,957.50**
8.	5' Concrete Sidewalk	LF	385	$	18.10	**$**	**5,140.40**	$	19.00	**$**	**24,263.00**	$	21.00	$	8,085.00	$	25.00	$	9,625.00
9.	8' Concrete Trail	LF	550	$	28.96	**$**	**15,841.12**	$	30.00	**$**	**16,380.00**	$	29.00	$	15,950.00	$	40.00	$	22,000.00
10.	ADA Handicap Ramps	EA	9	$	1,216.18	**$**	**12,161.80**	$	841.00	$	7,569.00	$	1,200.00	$	10,800.00	$	525.00	$	4,725.00
11.	Concrete Miami Curb and Gutter **	LF	6,990	$	10.79	**$**	**75,238.67**	$	10.00	**$**	**79,330.00**	$	14.05	$	98,209.50	$	11.00	$	76,890.00
12.	Concrete Curb and Gutter (Type F)**	LF	82	$	16.38	**$**	**1,949.22**	$	-	$	-	$	22.00	$	1,804.00	$	24.00	$	1,968.00
13.	Concrete Drop Curb**	LF	85	$	21.02	**$**	**2,228.12**	$	-	$	-	$	20.00	$	1,700.00	$	22.00	$	1,870.00
14.	Temporary Turnaround (complete)	EA	2	$	28,107.96	$	56,215.92	$	22,345.00	$	44,690.00	$	33,917.00	$	67,834.00	$	32,000.00	$	64,000.00
				TOTAL:		**$**	**397,104.84**	**TOTAL:**		**$**	**404,368.15**	**TOTAL:**		**$**	**470,911.85**	**TOTAL:**		**$**	**508,541.75**

** All cost for stabilization under curb shall be included in the unit price for the construction of the curb.

DRAINAGE

				KEARNEY		JON M. HALL		JR. DAVIS		WATSON CIVIL	
Item No.	**Description**	**Unit**	**Estimated Quantity**	**Unit Price**	**Total Amount**	**Unit Price**	**Total Amount**	**Unit Price**	**Total Amount**	**Unit Price**	**Total Amount**
1.	Underdrain (Fine Aggregate)	LF	962	$ 11.06	**$ 10,606.54**	$ 21.50	**$ 21,500.00**	$ 20.50	$ 19,721.00	$ 20.00	$ 19,240.00
2.	Underdrain Cleanout	EA	7	$ 224.27	$ 1,569.89	$ 199.00	$ 1,393.00	$ 760.00	$ 5,320.00	$ 550.00	$ 3,850.00
3.	15" RCP	LF	112	$ 42.88	$ 4,802.56	$ 29.00	$ 3,248.00	$ 32.00	$ 3,584.00	$ 45.00	$ 5,040.00
4.	18" RCP	LF	**666**	$ 49.31	$ 32,840.46	$ 34.00	$ 22,644.00	$ 37.00	$ 24,642.00	$ 50.00	**$ 33,150.00**
5.	24" RCP	LF	**1,201**	$ 61.02	$ 73,285.02	$ 43.50	$ 52,243.50	$ 54.00	$ 64,854.00	$ 60.00	**$ 72,180.00**
6.	30" RCP	LF	166	$ 76.59	$ 12,713.94	$ 55.50	$ 9,213.00	$ 70.00	$ 11,620.00	$ 78.00	$ 12,948.00
7.	36" RCP	LF	587	$ 97.92	$ 57,479.04	$ 72.00	**$ 65,304.00**	$ 86.00	$ 50,482.00	$ 97.00	$ 56,939.00
8.	Type 1 Curb Inlet	EA	15	$ 5,005.51	$ 75,082.65	$ 4,350.00	$ 65,250.00	$ 4,450.00	$ 66,750.00	$ 7,300.00	$ 109,500.00
9.	Type 2 Curb Inlet	EA	4	$ 6,018.81	$ 24,075.24	$ 4,420.00	$ 17,680.00	$ 4,127.00	$ 16,508.00	$ 7,800.00	$ 31,200.00
10.	Type P Manhole	EA	2	$ 1,923.68	$ 3,847.36	$ 2,390.00	$ 4,780.00	$ 2,370.00	$ 4,740.00	$ 4,000.00	$ 8,000.00
11.	Control Structure 100 (complete)	LS	1	$ 3,681.13	$ 3,681.13	$ 4,620.00	$ 4,620.00	$ 4,840.00	$ 4,840.00	$ 9,000.00	$ 9,000.00
12.	Control Structure 101 (complete)	LS	1	$ 3,540.14	$ 3,540.14	$ 4,620.00	$ 4,620.00	$ 4,840.00	$ 4,840.00	$ 9,000.00	$ 9,000.00
13.	Control Structure 102 (complete)	LS	1	$ 2,479.63	$ 2,479.63	$ 4,620.00	$ 4,620.00	$ 4,050.00	$ 4,050.00	$ 9,000.00	$ 9,000.00
14.	Mitered End Section 24" RCP	EA	1	$ 1,230.94	$ 1,230.94	$ 1,250.00	$ 1,250.00	$ 1,825.00	$ 1,825.00	$ 1,800.00	$ 1,800.00
15.	Mitered End Section 30" RCP	EA	1	$ 2,066.98	$ 2,066.98	$ 2,150.00	$ 2,150.00	$ 2,900.00	$ 2,900.00	$ 2,700.00	$ 2,700.00
16.	Mitered End Section 36" RCP	EA	3	$ 2,640.36	$ 7,921.08	$ 2,760.00	$ 8,280.00	$ 3,317.00	$ 9,951.00	$ 3,200.00	$ 9,600.00
				TOTAL:	**$ 317,222.60**	**TOTAL:**	**$ 288,795.50**	**TOTAL:**	**$ 296,627.00**	**TOTAL:**	**$ 393,147.00**

Serenoa Village 1 - Phase 1A
Subdivision Infrastructure

SANITARY SEWER COLLECTION SYSTEM

Item No.	Description	Unit	Estimated Quantity	KEARNEY Unit Price	KEARNEY Total Amount	JON M. HALL Unit Price	JON M. HALL Total Amount	JR. DAVIS Unit Price	JR. DAVIS Total Amount	WATSON CIVIL Unit Price	WATSON CIVIL Total Amount
1.	8" PVC (0' - 6' Cut)	LF	344	$ 24.42	$ 8,400.48	$ 24.50	**$ 11,270.00**	$ 14.50	$ 4,988.00	$ 21.00	**$ 5,250.00**
2.	8" PVC (6' - 8' Cut)	LF	116	$ 24.78	$ 2,874.48	$ -	$ -	$ 25.00	$ 2,900.00	$ 37.00	**$ 7,770.00**
3.	8" PVC (8' - 10' Cut)	LF	383	$ 25.03	**$ 9,561.46**	$ 27.50	**$ 23,787.50**	$ 25.50	$ 9,766.50	$ 41.00	**$ 4,797.00**
4.	8" PVC (10' - 12' Cut)	LF	673	$ 26.57	**$ 17,908.18**	$ 29.50	**$ 11,711.50**	$ 28.00	$ 18,844.00	$ 45.00	**$ 33,660.00**
5.	8" PVC (12' - 14' Cut)	LF	465	$ 28.74	**$ 13,335.36**	$ 35.50	**$ 14,200.00**	$ 47.50	$ 22,087.50	$ 51.00	**$ 40,647.00**
6.	8" PVC (14' - 16' Cut)	LF	294	$ 31.96	**$ 9,428.20**	$ 39.50	**$ 15,800.00**	$ 60.00	$ 17,640.00	$ -	$ -
7.	8" PVC (16' -18' Cut)	LF	398	$ 41.65	$ 16,576.70	$ 49.50	**$ 10,741.50**	$ 71.00	$ 28,258.00	$ 84.00	**$ 51,828.00**
8.	8" PVC (18' - 20' Cut)	LF	195	$ 86.53	**$ 16,786.82**	$ 58.00	**$ 35,264.00**	$ 86.00	$ 16,770.00	$ 130.00	**$ 27,950.00**
9.	8" PVC (20' - 22' Cut)	LF	671	$ 105.24	$ 70,616.04	$ 63.00	**$ 21,042.00**	$ 109.00	$ 73,139.00	$ 185.00	**$ 134,495.00**
10.	8" PVC (22' - 24' Cut)	LF	143	$ 142.65	$ 20,398.95	$ -	**$ -**	$ 122.00	$ 17,446.00	$ -	$ -
11.	Standard Manhole (0' - 6' Cut)	EA	2	$ 2,325.10	$ 4,650.20	$ 2,630.00	$ 5,260.00	$ 3,785.00	$ 7,570.00	$ 2,900.00	$ 5,800.00
12.	Standard Manhole (6' - 8' Cut)	EA	1	$ 2,455.99	$ -	$ -	$ -	$ 4,605.00	$ 4,605.00	$ -	$ -
13.	Standard Manhole (8' - 10' Cut)	EA	2	$ 3,116.63	$ 6,233.26	$ 3,950.00	$ 11,850.00	$ 5,306.00	$ 10,612.00	$ 3,400.00	**$ 10,200.00**
14.	Standard Manhole (10' - 12' Cut)	EA	1	$ 3,574.18	$ 3,574.18	$ 4,730.00	$ 9,460.00	$ 6,346.00	$ 6,346.00	$ 4,200.00	$ 4,200.00
15.	Standard Manhole (14' - 16' Cut)	EA	1	$ 4,267.73	$ 4,267.73	$ 5,870.00	$ 5,870.00	$ 8,766.00	$ 8,766.00	$ 5,800.00	$ 5,800.00
16.	Standard Manhole (16' - 18' Cut)	EA	1	$ 4,721.85	$ 4,721.85	$ 6,550.00	$ 6,550.00	$ 10,276.00	$ 10,276.00	$ 6,700.00	$ 6,700.00
17.	Standard Manhole (18' - 20' Cut)	EA	1	$ 7,023.06	$ 7,023.06	$ 8,190.00	$ 8,190.00	$ 12,000.00	$ 12,000.00	$ 7,800.00	$ 7,800.00
18.	Standard Manhole (20' - 22' Cut)	EA	2	$ 8,832.06	**$ 8,832.06**	$ 12,600.00	**$ 37,800.00**	$ 13,140.00	$ 26,280.00	$ 10,500.00	$ 21,000.00
ADD	Drop Manhole (8' - 10' Cut)	EA	0	$ 4,691.74	$ 4,691.74	$ -	$ -	$ -	$ -	$ -	$ -
19.	Drop Manhole (10' - 12' Cut)	EA	1	$ -	$ -	$ 2,448.00	$ 2,448.00	$ 8,115.00	$ 8,115.00	$ 4,300.00	$ 4,300.00
ADD	Drop Manhole (12' - 14' Cut)	EA	0	$ 7,046.94	$ 7,046.94	$ -	$ -	$ -	$ -	$ -	$ -
20.	Drop Manhole (20' -22' Cut)	EA	1	$ 13,230.33	**$ 26,460.66**	$ 2,632.00	$ 2,632.00	$ 14,909.00	$ 14,909.00	$ 10,800.00	$ 10,800.00
21.	Connect to/Adjust Existing Sanitary Sewer MH	EA	1	$ 1,569.81	$ 1,569.81	$ 1,460.00	$ 1,460.00	$ 13,295.00	$ 13,295.00	$ 3,600.00	$ 3,600.00
22.	8" Plug and Stub	EA	1	$ 142.70	$ 142.70	$ 944.00	$ 944.00	$ 1,810.00	$ 1,810.00	$ 1,500.00	**$ 3,000.00**
23.	Single Sewer Service Connection*	EA	20	$ 462.09	$ 9,241.80	$ 516.00	$ 10,320.00	$ 679.00	$ 13,580.00	$ 1,000.00	$ 20,000.00
24.	Double Sewer Service Connection*	EA	50	$ 618.01	$ 30,900.50	$ 596.00	$ 29,800.00	$ 874.00	$ 43,700.00	$ 1,050.00	$ 52,500.00
25.	Complete Pump Station***	LS	1	$ 212,099.47	$ 212,099.47	$ 228,000.00	$ 228,000.00	$ 286,000.00	$ 286,000.00	$ 390,000.00	$ 390,000.00
26.	Connect to Existing Forcemain	EA	1	$ 1,308.12	$ 1,308.12	$ 1,030.00	$ 1,030.00	$ 1,557.00	$ 1,557.00	$ 1,500.00	$ 1,500.00
27.	6" PVC Forcemain	LF	35	$ 11.12	$ 389.20	$ 13.50	**$ 540.00**	$ 36.00	$ 1,260.00	$ 40.00	$ 1,400.00
28.	6" 90° Bend	EA	1	$ 413.65	$ 413.65	$ 699.00	$ 699.00	$ 427.00	$ 427.00	$ 450.00	$ 450.00

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29.	Sanitary Testing and TV	LS	1	$	15,041.29	$	15,041.29	$	10,306.80	$	10,306.80	$	13,187.00	$	13,187.00	$	15,000.00	$	15,000.00
				TOTAL:		**$**	**534,494.89**	**TOTAL:**		**$**	**516,976.30**	**TOTAL:**		**$**	**696,134.00**	**TOTAL:**		**$**	**870,447.00**

* Shall consist of all wyes, bends, pipe, tees, plugs, cleanouts or any other appurtenances comprising a complete service.

** Shall consist of all pipe, valves, tees, fittings or any other appurtenances comprising a complete working assembly.

*** **Kearney: Lift station wetwell provided and installed by boulevard contractor.**

WATER DISTRIBUTION SYSTEM

				KEARNEY		JON M. HALL		JR. DAVIS		WATSON CIVIL	
Item No.	Description	Unit	Estimated Quantity	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount
1.	Connect to Existing Water Main	EA	2	$ 1,207.37	$ 2,414.74	$ 335.00	$ 670.00	$ 1,475.00	$ 2,950.00	$ 1,500.00	$ 3,000.00
2.	Temporary Jumper Connection	LS	**1**	$ 2,000.25	**$ 4,000.50**	$ 3,240.00	$ 3,240.00	$ 1,227.00	$ 1,227.00	$ 4,000.00	$ 4,000.00
3.	6" PVC Water Main	LF	**2,012**	$ 11.24	$ 22,614.88	$ 11.50	**$ 23,230.00**	$ 12.25	$ 24,647.00	$ 13.50	$ 27,162.00
4.	8" PVC Water Main	LF	**1,755**	$ 16.77	$ 29,431.35	$ 15.50	**$ 27,590.00**	$ 17.00	$ 29,835.00	$ 17.00	$ 29,835.00
5.	6" Gate Valve	EA	4	$ 1,105.63	$ 4,422.52	$ 1,040.00	$ 4,160.00	$ 1,145.00	$ 4,580.00	$ 1,500.00	$ 6,000.00
6.	8" Gate Valve	EA	**8**	$ 1,563.04	$ 12,504.32	$ 1,490.00	**$ 14,900.00**	$ 1,500.00	$ 12,000.00	$ 1,700.00	$ 13,600.00
6a.	Water Main Fittings 6" & 8"	TN	**0**	$ -	$ -	$ -	$ -	$ -	$ -	$ 12,500.00	$ 4,250.00
7.	6" 11¼° Bend	EA	1	$ 217.84	$ 217.84	$ 1,080.00	$ 1,080.00	$ 240.00	$ 240.00	$ -	$ -
8.	8" x 6" Tee	EA	4	$ 388.58	$ 1,554.32	$ 217.75	$ 871.00	$ 492.00	$ 1,968.00	$ -	$ -
9.	Fire Hydrant Assembly*	EA	8	$ 4,547.52	$ 36,380.16	$ 3,450.00	**$ 24,150.00**	$ 4,322.00	$ 34,576.00	$ 5,800.00	$ 46,400.00
10.	Blow-off Assembly*	EA	2	$ 336.11	$ 672.22	$ 1,140.00	$ 2,280.00	$ 865.00	$ 1,730.00	$ 2,000.00	$ 4,000.00
12.	Single Service (Short)**	EA	**10**	$ 381.67	**$ 3,053.36**	$ 464.00	$ 3,712.00	$ 446.00	$ 4,460.00	$ 950.00	$ 9,500.00
13.	Double Service (Short)**	EA	28	$ 848.17	$ 23,748.76	$ 817.00	$ 22,876.00	$ 765.00	$ 21,420.00	$ 1,300.00	$ 36,400.00
14.	Single Service (Long)**	EA	**10**	$ 396.78	**$ 4,761.36**	$ 464.00	**$ 5,104.00**	$ 566.00	$ 5,660.00	$ 1,050.00	**$ 11,550.00**
15.	Double Service (Long)**	EA	**21**	$ 863.27	$ 18,128.67	$ 817.00	$ 17,157.00	$ 954.00	$ 20,034.00	$ 1,500.00	**$ 30,000.00**
16.	Water Pressure Testing and Chlorination	LS	1	$ 5,633.33	$ 5,633.33	$ 5,890.00	$ 5,890.00	$ 6,402.00	$ 6,402.00	$ 10,800.00	$ 10,800.00
				TOTAL:	**$ 169,538.33**	**TOTAL:**	**$ 156,910.00**	**TOTAL:**	**$ 171,729.00**	**TOTAL:**	**$ 236,497.00**

* Shall consist of all pipe, valves, tees, fittings or any other appurtenances comprising a complete working assembly.

** Shall consist of all corporation stops, curb stops, pipe or tubing or any other appurtenances comprising a complete water

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RECLAIMED WATER DISTRIBUTION SYSTEM

Item No.	Description	Unit	Estimated Quantity	KEARNEY Unit Price	KEARNEY Total Amount	JON M. HALL Unit Price	JON M. HALL Total Amount	JR. DAVIS Unit Price	JR. DAVIS Total Amount	WATSON CIVIL Unit Price	WATSON CIVIL Total Amount
1.	Connect to Existing Reclaimed Water Main	EA	2	$ 1,207.37	$ 2,414.74	$ 335.00	$ 670.00	$ 1,415.00	$ 2,830.00	$ 1,500.00	$ 3,000.00
2.	6" PVC Reclaimed Water Main	LF	**3,620**	$ 11.61	$ 42,028.20	$ 11.50	$ 41,630.00	$ 12.00	$ 43,440.00	$ 13.50	**$ 50,395.50**
3.	6" Gate Valve	EA	12	$ 1,105.63	$ 13,267.56	$ 1,040.00	**$ 14,560.00**	$ 1,156.00	$ 13,872.00	$ 1,500.00	$ 18,000.00
3a.	RM Fittings	TN	**0**	$ -	$ -	$ -	$ -	$ -	$ -	$ 12,500.00	$ 11,625.00
4.	6" 11¼° Bend	EA	1	$ 217.84	$ 217.84	$ 699.00	$ 699.00	$ 215.00	$ 215.00	$ -	$ -
5.	6" Vertical Bend	EA	**20**	$ 220.97	**$ 7,071.04**	$ 289.50	$ 5,790.00	$ 350.00	$ 7,000.00	$ -	$ -
6.	6" x 6" Tee	EA	4	$ 329.06	$ 1,316.24	$ 201.50	$ 806.00	$ 323.00	$ 1,292.00	$ -	$ -
7.	Blow-off Assembly*	EA	2	$ 336.11	$ 672.22	$ 1,130.00	$ 2,260.00	$ 878.00	$ 1,756.00	$ 2,000.00	$ 4,000.00
8.	Single Service (Short)**	EA	8	$ 381.67	$ 3,053.36	$ 441.00	$ 3,528.00	$ 467.00	$ 3,736.00	$ 950.00	$ 7,600.00
9.	Double Service (Short)**	EA	23	$ 848.17	$ 19,507.91	$ 820.00	$ 18,860.00	$ 808.00	$ 18,584.00	$ 1,300.00	$ 29,900.00
10.	Single Service (Long)**	EA	12	$ 396.78	$ 4,761.36	$ 441.00	$ 5,292.00	$ 586.00	$ 7,032.00	$ 1,050.00	$ 12,600.00
11.	Double Service (Long)**	EA	27	$ 848.17	$ 22,900.59	$ 820.00	$ 22,140.00	$ 988.00	$ 26,676.00	$ 1,500.00	$ 40,500.00
12.	2" Sleeve (contingency)	LF	1,000	$ 5.06	$ 5,060.00	$ 6.20	$ 6,200.00	$ 7.70	$ 7,700.00	$ 7.00	$ 7,000.00
13.	4" Sleeve (contingency)	LF	1,000	$ 6.78	$ 6,780.00	$ 8.45	$ 8,450.00	$ 9.00	$ 9,000.00	$ 7.30	$ 7,300.00
14.	6" Sleeve (contingency)	LF	1,000	$ 8.94	$ 8,940.00	$ 9.05	$ 9,050.00	$ 10.65	$ 10,650.00	$ 9.00	$ 9,000.00
15.	Reclaimed Water Pressure Testing	LS	1	$ 3,801.00	$ 3,801.00	$ 4,126.80	$ 4,126.80	$ 6,152.00	$ 6,152.00	$ 11,000.00	$ 11,000.00
				TOTAL:	**$ 141,792.06**	**TOTAL:**	**$ 144,061.80**	**TOTAL:**	**$ 159,935.00**	**TOTAL:**	**$ 211,920.50**

* Shall consist of all pipe, valves, tees, fittings or any other appurtenances comprising a complete working assembly.

** Shall consist of all corporation stops, curb stops, pipe or tubing or any other appurtenances comprising a complete

Serenoa Village 2 - Phase 1A

Subdivision Infrastructure

Schedule of Estimated Quantities and Unit Prices

BID SUMMARY

	KEARNEY	JON M. HALL	JR. DAVIS	WATSON CIVIL
SITEWORK:	$ 1,294,659.47	$ 684,125.50	$ 1,228,988.50	$ 2,733,501.00
STREETS:	$ 402,756.53	$ 406,788.70	$ 489,166.95	$ 530,521.00
DRAINAGE:	$ 391,787.95	$ 328,232.50	$ 389,784.25	$ 492,858.00
SANITARY SEWER COLLECTION SYSTEM:	$ 369,920.64	$ 315,031.80	$ 517,396.00	$ 598,694.00
WATER DISTRIBUTION SYSTEM:	$ 186,226.31	$ 182,670.00	$ 190,042.25	$ 254,172.50
RECLAIMED WATER DISTRIBUTION SYSTEM:	$ 130,449.68	$ 132,992.81	$ 156,891.00	$ 190,105.00
PERFORMANCE BOND COSTS:	$ 33,443.16	$ 61,500.00	$ 33,000.00	INCL.
TOTAL:	**$ 2,809,243.74**	**$ 2,111,341.31**	**$ 3,005,268.95**	**$ 4,799,851.50**
TOTAL DAYS TO COMPLETION:	**SEE GRAND SUMMARY**	**SEE GRAND SUMMARY**	**SEE GRAND SUMMARY**	**SEE GRAND SUMMARY**

The principle items of work and quantities shown herein are approximate only and are furnished solely for the purpose of showing the approximate scope of work to be performed. The Contractor shall examine the site of the work and shall inform himself fully in regard to all conditions pertaining to the place where the work is done. Contractor shall perform his own quantity take-off and shall submit his bid showing the items of all work, unit prices and lump sum price for all work called for in the plans, specifications and contract documents based on his assessment of the work to be performed. No claim shall be made against Heidt Design, nor the owner for any errors or omissions in the Contractor's items of work and quantities, and the unit prices shall only be used as a basis of payment for items specifically added or deleted upon change order approved by owner and Heidt Design and as a basis for computing partial pay estimates when called for in the Contract.

NOTE: Unit prices for all underground construction shall include those costs necessary to comply with the "TRENCH AND SAFETY ACT" and conform with all Occupational Safety and Health Administration (O.S.H.A.) regulations.

NOTE: QUANTITIES IN **BOLD** REFLECT CONTRACTOR TAKE-OFF QUANTITIES; ADDITIONAL ITEMS ARE NOTED AS "**ADD**" FOR THE ITEM NO.

Serenoa Village 2 - Phase 1A
Subdivision Infrastructure

SITEWORK

Item No.	Description	Unit	Estimated Quantity	KEARNEY Unit Price	KEARNEY Total Amount	JON M. HALL Unit Price	JON M. HALL Total Amount	JR. DAVIS Unit Price	JR. DAVIS Total Amount	WATSON CIVIL Unit Price	WATSON CIVIL Total Amount
1.	Compliance with FDEP Generic NPDES Permit	LS	1	$ 77,218.07	$ 77,218.07	$ 3,750.00	$ 3,750.00	$ 1,225.00	$ 1,225.00	$ 5,000.00	$ 5,000.00
2.	Clearing and Grubbing	LS	1	$ 326,988.78	$ 326,988.78	$ 166,632.00	$ 166,632.00	$ 88,000.00	$ 88,000.00	$ 575,000.00	$ 575,000.00
3.	Solid Sod (Side slopes steeper than 5:1)	LS	1	($ 2.46 SY)	$ 82,033.62	($ 0.00 SY)	$ -	($ 0.00 SY)	$ 84,610.00	($ 0.00 SY)	$ 157,000.00
4.	Grass and Mulch (All disturbed areas)	LS	1	($ 0.34 SY)	$ 34,216.92	($ 0.00 SY)	$ 86,000.00	($ 0.00 SY)	$ 61,000.00	($ 0.00 SY)	$ 63,000.00
5.	Unclassified Excavation	LS	1	$ 27,127.61	$ 27,127.61	$ 87,850.00	$ 87,850.00	$ 73,514.00	$ 73,514.00	$ 109,000.00	$ 109,000.00
6.	Wetland and Deleterious Soils Removal (if required)	LS	1	$ 292,297.50	$ 292,297.50	$ 15,130.00	$ 15,130.00	$ -	$ -	$ 20,000.00	$ 20,000.00
7.	Off-site Fill (if required)	LS	1	"NOT REQUIRED"		"NOT REQUIRED"		"NOT REQUIRED"		$ 1.00	$ 1.00
8.	Pond "103" (complete)	LS	1	$ 11,971.57	$ 11,971.57	$ 17,738.40	$ 17,738.40	$ 17,905.00	$ 17,905.00	$ 100,000.00	$ 100,000.00
9.	Pond "104" (complete)	LS	1	$ 50,783.59	$ 50,783.59	$ 21,356.50	$ 21,356.50	$ 61,753.00	$ 61,753.00	$ 150,000.00	$ 150,000.00
10.	Pond "105" (complete)	LS	1	$ 82,760.08	$ 82,760.08	$ 165,787.20	$ 165,787.20	$ 148,000.00	$ 148,000.00	$ 300,000.00	$ 300,000.00
11.	Pond "106" (complete)	LS	1	$ 45,263.01	$ 45,263.01	$ 56,904.75	$ 56,904.75	$ 75,610.00	$ 75,610.00	$ 160,000.00	$ 160,000.00
12.	Floodplain Pond "FC 103" (complete)	LS	1	$ 138,615.62	$ 138,615.62	$ 27,177.15	$ 27,177.15	$ 368,777.00	$ 368,777.00	$ 600,000.00	$ 600,000.00
13.	Floodplain Pond "FC 104" (complete)	LS	1	$ 94,758.17	$ 94,758.17	$ 19,944.50	$ 19,944.50	$ 218,548.00	$ 218,548.00	$ 450,000.00	$ 450,000.00
14.	Swale/Sump Construction	LS	1	$ 5,580.87	$ 5,580.87	$ 6,279.00	$ 6,279.00	$ 9,309.00	$ 9,309.00	$ 5,000.00	$ 5,000.00
15.	Staked Erosion Control *	LF	9,875	$ 2.58	**$ 25,044.06**	$ 1.00	**$ 9,576.00**	$ 2.10	$ 20,737.50	$ 4.00	$ 39,500.00
				TOTAL:	**$ 1,294,659.47**	**TOTAL:**	**$ 684,125.50**	**TOTAL:**	**$ 1,228,988.50**	**TOTAL:**	**$ 2,733,501.00**
ADD	**ALTERNATE NO. 1 (PER ADDENDUMS 5 & 6)**										
1.	Onsite Cut - Stockpile (Ponds)	CY	149,582	$ 1.71	$ 255,785.22	$ -	$ 512,500.00	$ -	$ -	$ -	$ -

* Includes all costs for installation, maintenance and removal after project has been stabilized.

Serenoa Village 2 - Phase 1A
Subdivision Infrastructure

STREETS

Item No.	Description	Unit	Estimated Quantity	KEARNEY Unit Price	KEARNEY Total Amount	JON M. HALL Unit Price	JON M. HALL Total Amount	JR. DAVIS Unit Price	JR. DAVIS Total Amount	WATSON CIVIL Unit Price	WATSON CIVIL Total Amount
1.	Maintenance of Traffic	LS	1	$ 931.00	$ 931.00	$ -	$ -	$ -	$ -	$ 1,000.00	$ 1,000.00
2.	Signing and Pavement Marking	LS	1	$ 2,947.28	$ 2,947.28	$ 5,700.00	$ 5,700.00	$ 7,100.00	$ 7,100.00	$ 10,000.00	$ 10,000.00
3.	Saw-Cut and Match Existing Pavement	LS	1	$ 1,304.84	$ 1,304.84	$ -	$ -	$ 730.00	$ 730.00	$ 500.00	$ 500.00
4.	1½" Asphaltic Surface Course (Type S-3)	SY	**10,954**	$ 7.97	$ 87,303.38	$ 8.65	**$ 94,466.65**	$ 8.85	$ 96,942.90	$ 10.00	$ 109,540.00
5.	6" Limerock Base	SY	**10,954**	$ 8.64	$ 94,642.56	$ 8.40	**$ 91,736.40**	$ 11.25	$ 123,232.50	$ 11.25	$ 123,232.50
6.	12" Stabilized Subgrade	SY	**10,954**	$ 5.54	$ 60,685.16	$ 3.85	**$ 52,895.15**	$ 6.00	$ 65,724.00	$ 8.50	**$ 111,647.50**
7.	5' Concrete Sidewalk	LF	**440**	$ 18.10	**$ 8,108.80**	$ 25.00	**$ 23,725.00**	$ 18.75	$ 8,250.00	$ 25.00	**$ 13,500.00**
8.	ADA Handicap Ramps	EA	4	$ 1,169.63	$ 4,678.52	$ 841.00	$ 3,364.00	$ 1,271.00	$ 5,084.00	$ 525.00	$ 2,100.00
9.	Concrete Miami Curb and Gutter **	LF	**7,145**	$ 10.73	**$ 76,880.45**	$ 10.00	**$ 79,770.00**	$ 14.19	$ 101,387.55	$ 11.00	**$ 79,695.00**
10.	Concrete Curb and Gutter (Type F)**	LF	**525**	$ 13.65	$ 7,166.25	$ 17.00	**$ 7,140.00**	$ 23.00	$ 12,075.00	$ 24.00	$ 12,600.00
11.	Concrete Drop Curb**	LF	**50**	$ 21.02	$ 1,198.14	$ -	$ -	$ 20.00	$ 1,000.00	$ 22.00	$ 1,100.00
12.	Type D Concrete Curb	LF	**73**	$ 9.51	$ 694.23	$ 14.50	**$ 2,871.00**	$ 17.00	$ 1,241.00	$ 22.00	$ 1,606.00
13.	Temporary Turnaround (complete)	EA	2	$ 28,107.96	$ 56,215.92	$ 22,560.25	$ 45,120.50	$ 33,200.00	$ 66,400.00	$ 32,000.00	$ 64,000.00
				TOTAL:	**$ 402,756.53**	**TOTAL:**	**$ 406,788.70**	**TOTAL:**	**$ 489,166.95**	**TOTAL:**	**$ 530,521.00**

** All cost for stabilization under curb shall be included in the unit price for the construction of the curb.

DRAINAGE

Item No.	Description	Unit	Estimated Quantity	KEARNEY Unit Price	KEARNEY Total Amount	JON M. HALL Unit Price	JON M. HALL Total Amount	JR. DAVIS Unit Price	JR. DAVIS Total Amount	WATSON CIVIL Unit Price	WATSON CIVIL Total Amount
1.	Underdrain (Fine Aggregate)	LF	1,238	$ 11.06	$ 13,692.28	$ 21.50	$ 26,660.00	$ 18.00	$ 22,284.00	$ 20.00	$ 24,760.00
2.	Underdrain Cleanout	EA	10	$ 224.27	$ 2,242.70	$ 199.00	$ 1,990.00	$ 790.00	$ 7,900.00	$ 550.00	$ 5,500.00
3.	18" RCP	LF	1,062	$ 49.31	$ 52,367.22	$ 34.00	$ 36,108.00	$ 42.00	$ 44,604.00	$ 50.00	$ 53,100.00
4.	24" RCP	LF	1,265	$ 61.02	$ 77,190.30	$ 43.50	**$ 49,111.50**	$ 57.85	$ 73,180.25	$ 60.00	$ 75,900.00
5.	30" RCP	LF	264	$ 76.59	$ 20,219.76	$ 55.00	$ 14,520.00	$ 72.50	$ 19,140.00	$ 78.00	$ 20,592.00
6.	36" RCP	LF	**258**	$ 97.92	$ 25,263.36	$ 73.50	$ 18,963.00	$ 94.00	$ 24,252.00	$ 97.00	$ 25,026.00
7.	42" RCP	LF	388	$ 115.85	$ 44,949.80	$ 87.50	$ 33,950.00	$ 106.00	$ 41,128.00	$ 110.00	$ 42,680.00
8.	Type 1 Curb Inlet	EA	**12**	$ 4,766.81	**$ 52,434.91**	$ 4,350.00	$ 52,200.00	$ 4,012.00	$ 48,144.00	$ 7,300.00	$ 87,600.00
9.	Type 1 Curb Inlet (w/ "J" Bottom)	EA	**2**	$ 5,791.15	**$ 17,373.45**	$ 4,310.00	$ 8,620.00	$ 5,893.00	$ 11,786.00	$ 7,800.00	$ 15,600.00

Serenoa Village 2 - Phase 1A
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10. Type 2 Curb Inlet	EA	5	$	6,668.27	$	33,341.35	$	4,420.00	$	26,520.00	$	5,357.00	$	26,785.00	$	7,800.00	$	**46,800.00**
11. Type 3 Curb Inlet	EA	1	$	3,091.45	$	3,091.45	$	3,810.00	$	3,810.00	$	3,844.00	$	3,844.00	$	6,900.00	$	6,900.00
12. Type P Manhole	EA	5	$	2,072.48	$	10,362.40	$	2,390.00	$	11,950.00	$	2,807.00	$	14,035.00	$	4,000.00	$	**24,000.00**
13. Type J Manhole	EA	1	$	4,067.75	$	4,067.75	$	3,780.00	$	3,780.00	$	5,157.00	$	5,157.00	$	-	$	-
14. Control Structure 103 (complete)	LS	1	$	2,681.71	$	2,681.71	$	4,620.00	$	4,620.00	$	4,050.00	$	4,050.00	$	9,000.00	$	9,000.00
15. Control Structure 104 (complete)	LS	1	$	3,443.02	$	3,443.02	$	4,620.00	$	4,620.00	$	4,985.00	$	4,985.00	$	9,000.00	$	9,000.00
16. Control Structure 105 (complete)	LS	1	$	3,925.50	$	3,925.50	$	4,620.00	$	4,620.00	$	4,985.00	$	4,985.00	$	9,000.00	$	9,000.00
17. Control Structure 106 (complete)	LS	1	$	3,900.43	$	3,900.43	$	4,620.00	$	4,620.00	$	4,985.00	$	4,985.00	$	9,000.00	$	9,000.00
18. Mitered End Section 18" RCP	EA	4	$	1,072.21	$	4,288.84	$	1,030.00	$	4,120.00	$	1,650.00	$	6,600.00	$	1,600.00	$	6,400.00
19. Mitered End Section 24" RCP	EA	5	$	1,230.94	$	6,154.70	$	1,250.00	$	5,000.00	$	1,825.00	$	9,125.00	$	1,800.00	$	9,000.00
20. Mitered End Section 36" RCP	EA	2	$	2,640.36	$	5,280.72	$	2,760.00	$	5,520.00	$	3,316.00	$	6,632.00	$	3,200.00	$	6,400.00
21. Mitered End Section 42" RCP	EA	1	$	3,369.44	$	3,369.44	$	5,790.00	$	5,790.00	$	3,871.00	$	3,871.00	$	4,000.00	$	4,000.00
22. Structure #55 with Temp Concrete Top	LS	1	$	2,146.86	$	2,146.86	$	1,140.00	$	1,140.00	$	2,312.00	$	2,312.00	$	2,600.00	$	2,600.00
			TOTAL:		**$**	**391,787.95**	**TOTAL:**		**$**	**328,232.50**	**TOTAL:**		**$**	**389,784.25**	**TOTAL:**		**$**	**492,858.00**

SANITARY SEWER COLLECTION SYSTEM

Item No.	Description	Unit	Estimated Quantity	KEARNEY Unit Price	KEARNEY Total Amount	JON M. HALL Unit Price	JON M. HALL Total Amount	JR. DAVIS Unit Price	JR. DAVIS Total Amount	WATSON CIVIL Unit Price	WATSON CIVIL Total Amount
1.	8" PVC (0' - 6' Cut)	LF	50	$ 24.42	$ 1,221.00	$ 24.50	**$ 14,210.00**	$ 14.00	$ 700.00	$ -	$ -
2.	8" PVC (6' - 8' Cut)	LF	309	$ 24.78	$ 7,657.02	$ -	$ -	$ 25.00	$ 7,725.00	$ 37.00	**$ 12,580.00**
3.	8" PVC (8' - 10' Cut)	LF	198	$ 25.03	$ 4,955.94	$ -	$ -	$ 26.00	$ 5,148.00	$ 41.00	**$ 9,840.00**
4.	8" PVC (10' - 12' Cut)	LF	185	$ 26.57	$ 4,915.45	$ 29.50	**$ 9,292.50**	$ 29.00	$ 5,365.00	$ 45.00	**$ 9,630.00**
5.	8" PVC (12' - 14' Cut)	LF	562	$ 28.74	$ 16,151.88	$ 35.00	**$ 25,375.00**	$ 48.00	$ 26,976.00	$ 51.00	**$ 36,108.00**
6.	8" PVC (14' - 16' Cut)	LF	904	$ 31.96	$ 28,891.84	$ 39.50	**$ 44,911.50**	$ 60.00	$ 54,240.00	$ 65.00	**$ 57,850.00**
7.	8" PVC (16' -18' Cut)	LF	354	$ 41.65	$ 14,744.10	$ -	$ -	$ 71.00	$ 25,134.00	$ 84.00	**$ 50,736.00**
8.	8" PVC (18' - 20' Cut)	LF	225	$ 86.53	$ 19,469.25	$ 52.00	**$ 12,480.00**	$ 86.00	$ 19,350.00	$ -	$ -
9.	8" PVC (20' - 22' Cut)	LF	647	$ 105.24	$ 68,090.28	$ 56.00	**$ 26,880.00**	$ 110.00	$ 71,170.00	$ 185.00	**$ 133,200.00**
10.	8" PVC (22' - 24' Cut)	LF	407	$ 142.65	$ 58,058.55	$ 58.00	**$ 21,112.00**	$ 123.00	$ 50,061.00	$ 250.00	**$ 91,000.00**
11.	Standard Manhole (0' - 6' Cut)	EA	2	$ 2,325.10	$ 4,650.20	$ 2,630.00	$ 5,260.00	$ 3,785.00	$ 7,570.00	$ 2,900.00	$ 5,800.00
12.	Standard Manhole (10' - 12' Cut)	EA	2	$ 3,558.22	$ 7,116.44	$ 4,580.00	$ 9,160.00	$ 6,346.00	$ 12,692.00	$ 4,200.00	$ 8,400.00
13.	Standard Manhole (12' - 14' Cut)	EA	**2**	$ 4,019.93	**$ 4,019.93**	$ 5,250.00	$ 10,500.00	$ 7,254.00	$ 14,508.00	$ 5,500.00	$ 11,000.00
13.	Standard Manhole (14' - 16' Cut)	EA	5	$ 4,445.56	$ 22,227.80	$ 5,870.00	**$ 35,220.00**	$ 8,767.00	$ 43,835.00	$ 5,800.00	$ 29,000.00
14.	Standard Manhole (16' - 18' Cut)	EA	**1**	$ 5,949.10	$ -	$ -	$ -	$ 10,300.00	$ 10,300.00	$ 6,700.00	$ 6,700.00

Serenoa Village 2 - Phase 1A
Subdivision Infrastructure

15.	Standard Manhole (18' - 20' Cut)	EA	1	$	7,600.15	$	7,600.15	$	6,160.00	$	6,160.00	$	12,000.00	$	12,000.00	$	7,800.00	$	7,800.00
16.	Standard Manhole (20' - 22' Cut)	EA	2	$	7,725.77	$	15,451.54	$	11,300.00	$	22,600.00	$	13,500.00	$	27,000.00	$	10,500.00	$	21,000.00
17.	Standard Manhole (22' - 24' Cut)	EA	2	$	8,323.05	$	16,646.10	$	11,600.00	$	23,200.00	$	14,377.00	$	28,754.00	$	10,800.00	$	21,600.00
ADD	Drop Manhole (12' - 14' Cut)	EA	1	$	5,298.98	$	5,298.98	$	-	$	-	$	-	$	-	$	-	$	-
ADD	Drop Manhole (14' - 16' Cut)	EA	1	$	5,611.57	$	5,611.57	$	-	$	-	$	-	$	-	$	-	$	-
18.	Connect to/Adjust Existing Sanitary Sewer MH	EA	1	$	1,085.32	$	1,085.32	$	1,460.00	$	1,460.00	$	13,292.00	$	13,292.00	$	3,600.00	$	3,600.00
19.	8" Plug and Stub	EA	2	$	142.70	$	285.40	$	944.00	**$**	**944.00**	$	1,810.00	$	3,620.00	$	1,500.00	$	3,000.00
20.	Single Sewer Service Connection*	EA	18	$	585.16	$	10,532.88	$	516.00	$	9,288.00	$	817.00	$	14,706.00	$	1,000.00	$	18,000.00
21.	Double Sewer Service Connection*	EA	43	$	709.06	$	30,489.58	$	596.00	**$**	**26,224.00**	$	1,150.00	$	49,450.00	$	1,050.00	$	45,150.00
22.	Sanitary Testing and TV	LS	1	$	14,749.44	$	14,749.44	$	10,754.80	$	10,754.80	$	13,800.00	$	13,800.00	$	16,700.00	$	16,700.00
				TOTAL:		**$**	**369,920.64**	**TOTAL:**		**$**	**315,031.80**	**TOTAL:**		**$**	**517,396.00**	**TOTAL:**		**$**	**598,694.00**

* Shall consist of all wyes, bends, pipe, tees, plugs, cleanouts or any other appurtenances comprising a complete service.

** Shall consist of all pipe, valves, tees, fittings or any other appurtenances comprising a complete working assembly.

WATER DISTRIBUTION SYSTEM

Item No.	Description	Unit	Estimated Quantity	KEARNEY Unit Price	KEARNEY Total Amount	JON M. HALL Unit Price	JON M. HALL Total Amount	JR. DAVIS Unit Price	JR. DAVIS Total Amount	WATSON CIVIL Unit Price	WATSON CIVIL Total Amount
1.	Connect to Existing Water Main	EA	1	$ 1,587.44	$ 1,587.44	$ 335.00	$ 335.00	$ 1,700.00	$ 1,700.00	$ 1,500.00	$ 1,500.00
2.	Temporary Jumper Connection	LS	1	$ 2,000.25	$ 2,000.25	$ 1,710.00	$ 1,710.00	$ 1,277.00	$ 1,277.00	$ 4,000.00	$ 4,000.00
3.	6" PVC Water Main	LF	823	$ 11.31	$ 9,308.13	$ 11.50	**$ 9,430.00**	$ 12.75	$ 10,493.25	$ 13.50	$ 11,110.50
4.	8" PVC Water Main	LF	**1,929**	$ 15.86	$ 32,972.94	$ 15.50	**$ 32,240.00**	$ 17.00	$ 32,793.00	$ 17.00	**$ 35,802.00**
5.	12" PVC Water Main	LF	**1,058**	$ 35.95	$ 37,855.35	$ 38.00	**$ 40,280.00**	$ 34.00	$ 35,972.00	$ 30.00	**$ 32,910.00**
6.	6" Gate Valve	EA	2	$ 930.81	$ 1,861.62	$ 1,040.00	$ 2,080.00	$ 1,145.00	$ 2,290.00	$ 1,500.00	$ 3,000.00
7.	8" Gate Valve	EA	6	$ 1,358.15	$ 8,148.90	$ 1,490.00	**$ 11,920.00**	$ 1,500.00	$ 9,000.00	$ 1,700.00	$ 10,200.00
8.	12" Gate Valve	EA	1	$ 2,504.08	$ 2,504.08	$ 2,980.00	$ 2,980.00	$ 2,543.00	$ 2,543.00	$ 3,000.00	**$ 6,000.00**
8a.	WM Fittings	TN	**0**	$ -	$ -	$ -	$ -	$ -	$ -	$ 11,500.00	$ 8,050.00
9.	8" Vertical Bend	EA	4	$ 282.07	$ 1,128.28	$ 233.75	$ 935.00	$ 328.00	$ 1,312.00	$ -	$ -
10.	8" x 6" Tee	EA	2	$ 388.58	$ 777.16	$ 282.00	$ 564.00	$ 479.00	$ 958.00	$ -	$ -
11.	12" x 8" Tee	EA	1	$ 650.19	$ 650.19	$ 571.00	$ 571.00	$ 793.00	$ 793.00	$ -	$ -
12.	12" x 8" Reducer	EA	1	$ 371.14	$ 371.14	$ 699.00	$ 699.00	$ 391.00	$ 391.00	$ -	$ -
13.	Fire Hydrant Assembly*	EA	8	$ 4,617.63	$ 36,941.04	$ 3,450.00	$ 27,600.00	$ 4,370.00	$ 34,960.00	$ 5,800.00	$ 46,400.00
14.	Blow-off Assembly*	EA	2	$ 336.11	$ 672.22	$ 1,140.00	$ 2,280.00	$ 865.00	$ 1,730.00	$ 2,000.00	$ 4,000.00
15.	Single Service (Short)**	EA	**8**	$ 381.67	$ 3,053.36	$ 464.00	$ 3,248.00	$ 515.00	$ 4,120.00	$ 950.00	$ 7,600.00
16.	Double Service (Short)**	EA	26	$ 848.17	$ 22,052.42	$ 817.00	$ 21,242.00	$ 830.00	$ 21,580.00	$ 1,300.00	**$ 35,100.00**

Serenoa Village 2 - Phase 1A
Subdivision Infrastructure

17.	Single Service (Long)**	EA	8	$	396.78	$	3,174.24	$	464.00	$	3,712.00	$	576.00	$	4,608.00	$	1,050.00	$	8,400.00
18.	Double Service (Long)**	EA	18	$	848.17	$	15,267.06	$	817.00	$	14,706.00	$	947.00	$	17,046.00	$	1,500.00	**$**	**28,500.00**
19.	Water Pressure Testing and Chlorination	LS	1	$	5,900.49	$	5,900.49	$	6,138.00	$	6,138.00	$	6,476.00	$	6,476.00	$	11,600.00	$	11,600.00
				TOTAL:		**$**	**186,226.31**	**TOTAL:**		**$**	**182,670.00**	**TOTAL:**		**$**	**190,042.25**	**TOTAL:**		**$**	**254,172.50**

* Shall consist of all pipe, valves, tees, fittings or any other appurtenances comprising a complete working assembly.

** Shall consist of all corporation stops, curb stops, pipe or tubing or any other appurtenances comprising a complete water

RECLAIMED WATER DISTRIBUTION SYSTEM

Item No.	Description	Unit	Estimated Quantity	KEARNEY Unit Price	KEARNEY Total Amount	JON M. HALL Unit Price	JON M. HALL Total Amount	JR. DAVIS Unit Price	JR. DAVIS Total Amount	WATSON CIVIL Unit Price	WATSON CIVIL Total Amount
1.	Connect to Existing Reclaimed Water Main	EA	1	$ 1,207.37	$ 1,207.37	$ 335.00	$ 335.00	$ 1,415.00	$ 1,415.00	$ 1,500.00	$ 1,500.00
2.	6" PVC Reclaimed Water Main	LF	**3,830**	$ 11.78	$ 45,117.40	$ 11.50	**$ 43,930.00**	$ 13.00	$ 49,790.00	$ 13.50	$ 51,705.00
3.	6" Gate Valve	EA	**9**	$ 1,105.63	$ 9,950.67	$ 1,040.00	**$ 11,440.00**	$ 1,155.00	$ 10,395.00	$ 1,500.00	**$ 15,000.00**
3a.	RM Fittings	TN	**0**	$ -	$ -	$ -	$ -	$ -	$ -	$ 12,500.00	$ 7,750.00
4.	6" Vertical Bend	EA	**16**	$ 220.97	**$ 4,419.40**	$ 226.25	**$ 3,620.00**	$ 455.00	$ 7,280.00	$ -	$ -
5.	6" x 6" Tee	EA	3	$ 329.06	$ 987.18	$ 198.67	$ 596.01	$ 536.00	$ 1,608.00	$ -	$ -
6.	Blow-off Assembly*	EA	2	$ 336.11	$ 672.22	$ 1,130.00	$ 2,260.00	$ 878.00	$ 1,756.00	$ 2,000.00	$ 4,000.00
7.	Single Service (Short)**	EA	**11**	$ 381.67	$ 4,198.37	$ 441.00	**$ 4,410.00**	$ 534.00	$ 5,874.00	$ 950.00	**$ 9,500.00**
8.	Double Service (Short)**	EA	17	$ 848.17	$ 14,418.89	$ 820.00	$ 13,940.00	$ 870.00	$ 14,790.00	$ 1,300.00	$ 22,100.00
9.	Single Service (Long)**	EA	**7**	$ 396.78	$ 2,777.46	$ 441.00	$ 3,087.00	$ 591.00	$ 4,137.00	$ 1,050.00	**$ 5,250.00**
10.	Double Service (Long)**	EA	26	$ 848.17	$ 22,052.42	$ 820.00	$ 21,320.00	$ 986.00	$ 25,636.00	$ 1,500.00	$ 39,000.00
11.	2" Sleeve (contingency)	LF	1,000	$ 5.06	$ 5,060.00	$ 6.20	$ 6,200.00	$ 7.70	$ 7,700.00	$ 7.00	$ 7,000.00
12.	4" Sleeve (contingency)	LF	1,000	$ 6.78	$ 6,780.00	$ 8.45	$ 8,450.00	$ 9.00	$ 9,000.00	$ 7.30	$ 7,300.00
13.	6" Sleeve (contingency)	LF	1,000	$ 8.94	$ 8,940.00	$ 9.05	$ 9,050.00	$ 11.00	$ 11,000.00	$ 9.00	$ 9,000.00
14.	Reclaimed Water Pressure Testing	LS	1	$ 3,868.30	$ 3,868.30	$ 4,354.80	$ 4,354.80	$ 6,510.00	$ 6,510.00	$ 11,000.00	$ 11,000.00
				TOTAL:	**$ 130,449.68**	**TOTAL:**	**$ 132,992.81**	**TOTAL:**	**$ 156,891.00**	**TOTAL:**	**$ 190,105.00**

* Shall consist of all pipe, valves, tees, fittings or any other appurtenances comprising a complete working assembly.

** Shall consist of all corporation stops, curb stops, pipe or tubing or any other appurtenances comprising a complete

Serenoa - Sawgrass Bay Boulevard

Utility Improvements Alternate (per Addendum 4)

Schedule of Estimated Quantities and Unit Prices

BID SUMMARY

	KEARNEY	JON M. HALL		JR. DAVIS	WATSON CIVIL
SITEWORK:	$ 5,793.20	$ 127,150.45	*	$ -	$ 185,334.00
SANITARY SEWER COLLECTION SYSTEM:	$ 134,374.19	$ -		$ 121,017.00	$ -
WATER DISTRIBUTION SYSTEM:	$ 21,059.37	$ -		$ 11,880.00	$ -
RECLAIMED WATER DISTRIBUTION SYSTEM:	$ 9,853.90	$ -		$ -	$ -
PERFORMANCE BOND COSTS:	$ 3,901.58	$ -		$ -	INCL.
TOTAL:	**$ 174,982.24**	**$ 127,150.45**		**$ 132,897.00**	**$ 185,334.00**
TOTAL DAYS TO COMPLETION:	**SEE GRAND SUMMARY**	**SEE GRAND SUMMARY**		**SEE GRAND SUMMARY**	**SEE GRAND SUMMARY**

The principle items of work and quantities shown herein are approximate only and are furnished solely for the purpose of showing the approximate scope of work to be performed. The Contractor shall examine the site of the work and shall inform himself fully in regard to all conditions pertaining to the place where the work is done. Contractor shall perform his own quantity take-off and shall submit his bid showing the items of all work, unit prices and lump sum price for all work called for in the plans, specifications and contract documents based on his assessment of the work to be performed. No claim shall be made against Heidt Design, nor the owner for any errors or omissions in the Contractor's items of work and quantities, and the unit prices shall only be used as a basis of payment for items specifically added or deleted upon change order approved by owner and Heidt Design and as a basis for computing partial pay estimates when called for in the Contract.

NOTE: Unit prices for all underground construction shall include those costs necessary to comply with the "TRENCH AND SAFETY ACT" and conform with all Occupational Safety and Health Administration (O.S.H.A.) regulations.

* **NOTE**: $127,150.45 is included and listed as "General Conditions" in bid from Jon M. Hall. It is unclear whether bid includes costs for Sawgrass Bay Blvd. Utilities.

Serenoa - Sawgrass Bay Boulevard
Utility Improvements Alternate (per Addendum 4)

SITEWORK

Item No.	Description	Unit	Estimated Quantity	KEARNEY Unit Price	KEARNEY Total Amount	JON M. HALL Unit Price	JON M. HALL Total Amount	JR. DAVIS Unit Price	JR. DAVIS Total Amount	WATSON CIVIL Unit Price	WATSON CIVIL Total Amount
1.	General Conditions	LS	1	$ 5,793.20	$ 5,793.20	$ 127,150.45	$ 127,150.45	$ -	$ -	$ 185,334.00	$ 185,334.00
				TOTAL:	**$ 5,793.20**	**TOTAL:**	**$ 127,150.45**	**TOTAL:**	**$ -**	**TOTAL:**	**$ 185,334.00**

SANITARY SEWER COLLECTION SYSTEM

Item No.	Description	Unit	Estimated Quantity	KEARNEY Unit Price	KEARNEY Total Amount	JON M. HALL Unit Price	JON M. HALL Total Amount	JR. DAVIS Unit Price	JR. DAVIS Total Amount	WATSON CIVIL Unit Price	WATSON CIVIL Total Amount
1.	8" PVC (0' - 6' Cut)	LF	448	$ 24.42	$ 10,940.16	$ -	$ -	$ 14.50	**$ 5,220.00**	$ -	$ -
2.	8" PVC (6' - 8' Cut)	LF	4	$ 24.78	$ 99.12	$ -	$ -	$ 25.00	**$ 2,650.00**	$ -	$ -
3.	8" PVC (20' - 22' Cut)	LF	80	$ 114.36	$ 9,148.80	$ -	$ -	$ 109.00	**$ 16,132.00**	$ -	$ -
4.	8" PVC (22' - 24' Cut)	LF	175	$ 145.24	$ 25,417.00	$ -	$ -	$ 122.00	**$ 30,012.00**	$ -	$ -
5.	8" PVC (24' - 26' Cut)	LF	132	$ 220.90	$ 29,158.80	$ -	$ -	$ -	$ -	$ -	$ -
6.	8" PVC (26' - 28' Cut)	LF	6	$ 429.71	$ 2,578.26	$ -	$ -	$ -	$ -	$ -	$ -
7.	Standard Manhole (0' - 6' Cut)	EA	1	$ 2,325.10	$ 2,325.10	$ -	$ -	$ 3,785.00	**$ 7,570.00**	$ -	$ -
8.	Standard Manhole (6' - 8' Cut)	EA	1	$ 2,455.99	$ 2,455.99	$ -	$ -	$ 4,605.00	$ 4,605.00	$ -	$ -
8.	Standard Manhole (10' - 12' Cut)	EA	1	$ 3,558.22	$ 3,558.22	$ -	$ -	$ -	$ -	$ -	$ -
9.	Standard Manhole (20' - 22' Cut)	EA	0	$ -	$ -	$ -	$ -	$ 13,140.00	$ 13,140.00	$ -	$ -
10.	Standard Manhole (22' - 24' Cut)	EA	2	$ 8,323.05	$ 16,646.10	$ -	$ -	$ 14,377.00	$ 14,377.00	$ -	$ -
11.	Standard Manhole (24' - 26' Cut)	EA	1	$ 10,851.21	$ 10,851.21	$ -	$ -	$ -	$ -	$ -	$ -
12.	Drop Manhole (20' - 22' Cut)	EA	1	$ 15,296.33	$ 15,296.33	$ -	$ -	$ 14,909.00	$ 14,909.00	$ -	$ -
13.	Sanitary Testing and TV	LS	1	$ 3,244.80	$ 3,244.80	$ -	$ -	$ 3,500.00	$ 3,500.00	$ -	$ -
27.	6" PVC Forcemain	LF	120	$ 11.12	$ 1,334.40	$ -	$ -	$ 65.00	**$ 7,345.00**	$ -	$ -
28.	6" 90° Bend	EA	1	$ 413.65	$ 413.65	$ -	$ -	$ -	$ -	$ -	$ -
29.	Connect to Existing FM	LS	1	$ 906.25	$ 906.25	$ -	$ -	$ 1,557.00	$ 1,557.00	$ -	$ -
				TOTAL:	**$ 134,374.19**	**TOTAL:**	**$ -**	**TOTAL:**	**$ 121,017.00**	**TOTAL:**	**$ -**

* Shall consist of all wyes, bends, pipe, tees, plugs, cleanouts or any other appurtenances comprising a complete service.

** Shall consist of all pipe, valves, tees, fittings or any other appurtenances comprising a complete working assembly.

Serenoa - Sawgrass Bay Boulevard
Utility Improvements Alternate (per Addendum 4)

WATER DISTRIBUTION SYSTEM

Item No.	Description	Unit	Estimated Quantity	KEARNEY Unit Price	KEARNEY Total Amount	JON M. HALL Unit Price	JON M. HALL Total Amount	JR. DAVIS Unit Price	JR. DAVIS Total Amount	WATSON CIVIL Unit Price	WATSON CIVIL Total Amount
1.	Connect to Existing Water Main	EA	2	$ 1,587.44	$ 3,174.88	$ -	$ -	$ -	$ -	$ -	$ -
2.	12" PVC Water Main	LF	135	$ 38.41	$ 5,185.35	$ -	$ -	$ 99.00	**$ 11,880.00**	$ -	$ -
3.	12" Gate Valve	EA	4	$ 2,504.08	$ 10,016.32	$ -	$ -	$ -	$ -	$ -	$ -
4.	12" x 12" Cross	EA	1	$ 1,214.69	$ 1,214.69	$ -	$ -	$ -	$ -	$ -	$ -
5.	12" x 8" Reducer	EA	1	$ 371.14	$ 371.14	$ -	$ -	$ -	$ -	$ -	$ -
6.	Blow-off Assembly*	EA	2	$ 336.11	$ 672.22	$ -	$ -	$ -	$ -	$ -	$ -
7.	Water Pressure Testing and Chlorination	LS	1	$ 424.77	$ 424.77	$ -	$ -	$ -	$ -	$ -	$ -
				TOTAL:	**$ 21,059.37**	**TOTAL:**	**$ -**	**TOTAL:**	**$ 11,880.00**	**TOTAL:**	**$ -**

* Shall consist of all pipe, valves, tees, fittings or any other appurtenances comprising a complete working assembly.

RECLAIMED WATER DISTRIBUTION SYSTEM

Item No.	Description	Unit	Estimated Quantity	KEARNEY Unit Price	KEARNEY Total Amount	JON M. HALL Unit Price	JON M. HALL Total Amount	JR. DAVIS Unit Price	JR. DAVIS Total Amount	WATSON CIVIL Unit Price	WATSON CIVIL Total Amount
1.	Connect to Existing Reclaimed Water Main	EA	2	$ 1,207.37	$ 2,414.74	$ -	$ -	$ -	$ -	$ -	$ -
2.	6" PVC Reclaimed Water Main	LF	135	$ 12.16	$ 1,641.60	$ -	$ -	$ -	$ -	$ -	$ -
3.	6" Gate Valve	EA	4	$ 1,105.63	$ 4,422.52	$ -	$ -	$ -	$ -	$ -	$ -
4.	6" x 6" Cross	EA	1	$ 467.92	$ 467.92	$ -	$ -	$ -	$ -	$ -	$ -
5.	Blow-off Assembly*	EA	2	$ 336.11	$ 672.22	$ -	$ -	$ -	$ -	$ -	$ -
6.	Reclaimed Water Pressure Testing	LS	1	$ 234.90	$ 234.90	$ -	$ -	$ -	$ -	$ -	$ -
				TOTAL:	**$ 9,853.90**	**TOTAL:**	**$ -**	**TOTAL:**	**$ -**	**TOTAL:**	**$ -**

* Shall consist of all pipe, valves, tees, fittings or any other appurtenances comprising a complete working assembly.

SERENOA VILLAGES 1 & 2 - PHASE 1A

January 6, 2017

GRAND SUMMARY

	KEARNEY COMPANIES	JON M. HALL		JR. DAVIS CONST.	WATSON CIVIL
VILLAGE 1:.....	$ 2,197,932.29	$ 2,041,766.25		$ 2,492,199.85	$ 3,776,654.25
VILLAGE 2:.....	$ 2,775,800.58	$ 2,049,841.31		$ 2,972,268.95	$ 4,799,851.50
SAWGRASS BAY BLVD UTILITIES:.....	$ 171,080.66	$ 127,150.45	*	$ 132,897.00	$ 185,334.00
PERFORMANCE BOND COSTS:	$ 66,170.73	$ 111,200.00		$ 60,000.00	INCL.
TOTAL ALL SCHEDULES :	**$ 5,210,984.26**	**$ 4,329,958.01**		**$ 5,657,365.80**	**$ 8,761,839.75**
COST PER LOT (221) :	**$ 23,579.11**	**$ 19,592.57**		**$ 25,598.94**	**$ 39,646.33**
TOTAL DAYS TO COMPLETION (SUBSTANTIAL/FINAL) :	**235 / 260**	**225 / 255**		**270 / 300**	**390 / 420**

ALTERNATE NO. 1 (NOT INCLUDED IN BASE BID)

STOCKPILE SURPLUS EXCAVATED MATERIAL - VILLAGE 1:.....	$ 53,856.45	$ 128,255.00		$ -	$ -
STOCKPILE SURPLUS EXCAVATED MATERIAL - VILLAGE 2:.....	$ 255,785.22	$ 512,500.00		$ -	$ -
PERFORMANCE BOND COSTS:	$ 6,175.45	$ -		$ -	$ -
TOTAL ALTERNATES :	**$ 315,817.12**	**$ 640,755.00**		**$ -**	**$ -**

* **NOTE**: $127,150.45 is included and listed as "General Conditions" in bid from Jon M. Hall. It is unclear whether bid includes costs for Sawgrass Bay Blvd. Utilities.

Exhibit 6

January 18, 2017

Via Overnight Delivery

[insert address of top-ranked proposer]

Re: Avalon Groves Community Development District Notice of Intent to Award Construction Services for Serenoa, Phase 1A

Dear [insert contact name]:

The Avalon Groves Community Development District (the "District") received _____ (_____) proposals in response to its Request for Proposals for Construction Services for the above-described project (the "RFP"). The proposals were reviewed on January 18, 2017, at a noticed public meeting of the District's Board of Supervisors (the "Board"). The Board scored the submitted proposals in accordance with the evaluation criteria provided in the proposal documents. In accordance with the Board's scores,_____ ("____") was ranked the highest responsive and responsible proposer. The District intends to enter into a contract with ___.

Please note that a failure to file a written notice of protest of this decision within seventy-two (72) hours (excluding Saturdays, Sundays and state holidays) after receipt of this Notice of Decision, followed within seven (7) calendar days (inclusive of Saturdays, Sundays and state holidays) by a formal written protest stating with particularity the facts and law upon which such protest is based, shall constitute a waiver of proceedings under Chapter 190, *Florida Statutes*, and the District's Rules of Procedure.

The District appreciates the interest you have shown in this project and wants to thank you for your efforts related to this request for proposals.

Sincerely,

Patricia Comings-Thibault

cc: Gary Miller, District Engineer
Roy Van Wyk, District Counsel
Jim Harvey, Board Chairperson

January 18, 2017

Via Overnight Delivery

[Insert contact information for bidders not ranked #1]

Re: Avalon Groves Community Development District Notice of Intent to Award Construction Services for Serenoa, Phase 1A

Dear [insert contact information for bidder]:

The Avalon Groves Community Development District (the "District") received _____ (_____) proposals in response to its Request for Proposals for Construction Services for the above-described project (the "RFP"). The proposals were reviewed on January 18, 2017, at a noticed public meeting of the District's Board of Supervisors (the "Board"). The Board scored the submitted proposals in accordance with the evaluation criteria provided in the proposal documents. In accordance with the Board's scores, _____ ("____") was ranked the highest responsive and responsible proposer. The District intends to enter into a contract with ___.

Please note that a failure to file a written notice of protest of this decision within seventy-two (72) hours (excluding Saturdays, Sundays and state holidays) after receipt of this Notice of Decision, followed within seven (7) calendar days (inclusive of Saturdays, Sundays and state holidays) by a formal written protest stating with particularity the facts and law upon which such protest is based, shall constitute a waiver of proceedings under Chapter 190, *Florida Statutes*, and the District's Rules of Procedure.

The District appreciates the interest you have shown in this project and wants to thank you for your efforts related to this request for proposals.

Sincerely,

Patricia Comings-Thibault

cc: Gary Miller, District Engineer
Roy Van Wyk, District Counsel
Jim Harvey, Board Chairperson

EXHIBIT 7

RESOLUTION NO. 2017–12

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT (THE "DISTRICT") AUTHORIZING THE ISSUANCE OF NOT EXCEEDING $10,000,000 AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT, SPECIAL ASSESSMENT BONDS, SERIES 2017 (ASSESSMENT AREA ONE PROJECT) (THE "ASSESSMENT AREA ONE BONDS"), THE ISSUANCE OF NOT EXCEEDING $10,000,000 CONSISTING OF THE AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT SPECIAL ASSESSMENT BONDS, SERIES 2017A-1 (ASSESSMENT AREA TWO PROJECT), AND THE AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT SPECIAL ASSESSMENT BONDS, SERIES 2017A-2 BONDS (ASSESSMENT AREA TWO PROJECT) (COLLECTIVELY, THE "ASSESSMENT AREA TWO BONDS" AND, TOGETHER WITH THE ASSESSMENT AREA ONE BONDS, THE "BONDS"), TO FINANCE CERTAIN PUBLIC INFRASTRUCTURE WITHIN DESIGNATED ASSESSMENT AREAS OF THE DISTRICT; DETERMINING THE NEED FOR A NEGOTIATED LIMITED OFFERING OF THE BONDS AND PROVIDING FOR A DELEGATED AWARD OF SUCH BONDS; APPOINTING THE UNDERWRITER FOR THE LIMITED OFFERING OF THE BONDS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE CONTRACT WITH RESPECT TO THE BONDS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST SUPPLEMENTAL TRUST INDENTURE GOVERNING THE ASSESSMENT AREA ONE BONDS, A SECOND SUPPLEMENTAL TRUST INDENTURE AND A THIRD SUP0PLEMENTAL TRUST INDENTURE GOVERNING THE ASSESSMENT AREA TWO BONDS, RESPECTIVELY; APPROVING THE FORM OF AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY LIMITED OFFERING MEMORANDUM; APPROVING THE EXECUTION AND DELIVERY OF A FINAL LIMITED OFFERING MEMORANDUM; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A CONTINUING DISCLOSURE AGREEMENT, AND APPOINTING A DISSEMINATION AGENT; APPROVING THE APPLICATION OF BOND PROCEEDS; AUTHORIZING CERTAIN MODIFICATIONS TO THE ASSESSMENT METHODOLOGY REPORT AND ENGINEER'S REPORT; PROVIDING FOR THE REGISTRATION OF THE BONDS PURSUANT TO THE DTC BOOK-ENTRY ONLY SYSTEM; AUTHORIZING THE PROPER OFFICIALS TO DO ALL THINGS DEEMED NECESSARY IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF THE BONDS; AND PROVIDING FOR SEVERABILITY, CONFLICTS AND AN EFFECTIVE DATE.

WHEREAS, the Avalon Groves Community Development District (the "District") is a local unit of special-purpose government organized and existing in accordance with the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), created by Ordinance No. 2016-16, duly enacted by the Board of County Commissioners of Lake County, Florida, on April 19, 2016 and becoming effective on April 27, 2016 (the "Ordinance"); and

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

WHEREAS, the Board of Supervisors of the District (herein, the "Board") has previously adopted Resolution No. 2016-21 on April 28, 2016 (the "Initial Bond Resolution"), pursuant to which the District authorized the issuance of not to exceed $70,000,000 of its Special Assessment Bonds to be issued in one or more series to finance all or a portion of the District's capital improvement program; and

WHEREAS, any capitalized term used herein and not otherwise defined shall have the meaning ascribed to such term in the Initial Bond Resolution; and

WHEREAS, pursuant to the Initial Bond Resolution, the Board approved the form of Master Trust Indenture (the "Master Indenture") to be entered into by the District and Regions Bank, as trustee (the "Trustee"), and a Supplemental Trust Indenture (herein, the "Supplemental Trust Indenture") also to be entered into by the District and the Trustee; and

WHEREAS, based on the current development plans of the Developer of the lands within the District to be designated herein as "Assessment Area One" and "Assessment Area Two," the Board finds it necessary to finance a portion of the public infrastructure necessary for the development of Assessment Area One and Assessment Area Two; and

WHEREAS, based on the proposed current structure, the Board deems it necessary to approve new forms of the Supplemental Trust Indenture; and

WHEREAS, the Board hereby determines to issue its Avalon Groves Community Development District Special Assessment Bonds, Series 2017 (Assessment Area One Project) (the "Assessment Area One Bonds") in the principal amount of not exceeding $10,000,000 for the purpose of providing funds to finance all or a portion of the public infrastructure within Assessment Area One of the District – specifically, the "Assessment Area One Project" and "Assessment Area Two Project," as described in the District's *Preliminary Engineer's Report* dated October 11, 2016, as revised ("Engineer's Report"); and

WHEREAS, the Board hereby determines also to issue its Avalon Groves Community Development District Special Assessment Bonds, Series 2017A-1 (Assessment Area Two Project) (the "Assessment Area Two-1 Bonds") and its Avalon Groves Community Development District Special Assessment Bonds, Series 2017A-2 (Assessment Area Two Project) (the "Assessment Area Two-2 Bonds") (collectively, the "Assessment Area Two Bonds") in the principal amount of not exceeding $10,000,000 in the aggregate for the purpose of providing funds to finance all or a portion of the public infrastructure within Assessment Area Two identified in the Engineer's Report (herein, the "Assessment Area Two Project"); and

WHEREAS, the Assessment Area One Project and Assessment Area Two Project are hereby determined to be necessary to coincide with the Developer's plan of development; and

WHEREAS, in light of certain required changes in the structure and in replacement of the Supplemental Trust Indenture previously approved by the Board, the Board hereby finds it necessary to approve the form of and authorize the execution and delivery of a new First Supplemental Trust Indenture (the "First Supplemental" and, together with the Master Indenture, the "Assessment Area One Indenture") which will govern the Assessment Area One Bonds, and a Second Supplemental Trust Indenture (the "Second Supplemental" and, together with the Master Indenture, the "Assessment Area Two-1 Indenture"), which will govern the issuance and terms of the Assessment Area Two-1 Bonds, and a Third Supplemental Trust Indenture (the "Third Supplemental" and, together with the Master Indenture, the "Assessment Area Two-2 Indenture") which will govern the issuance of the Assessment Area Two-2 Bonds; and

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

(i) a Bond Purchase Contract with respect to the Bonds by and between FMSbonds, Inc., as the underwriter (the "Underwriter") and the District, together with the form of a disclosure statement attached to the Bond Purchase Contract pursuant to Section 218.385, Florida Statutes, substantially in the form attached hereto as Exhibit A (the "Bond Purchase Contract");

(ii) a Preliminary Limited Offering Memorandum substantially in the form attached hereto as Exhibit B (the "Preliminary Limited Offering Memorandum");

(iii) a Continuing Disclosure Agreement among the District, the dissemination agent named therein and the obligated parties named therein, substantially in the form attached hereto as Exhibit C;

(iv) the First Supplemental between the District and the Trustee, substantially in the form attached hereto as Composite Exhibit D;

(v) the Second Supplemental between the District and the Trustee, substantially in the form attached hereto as Composite Exhibit D; and

(vi) the Third Supplemental between the District and the Trustee, substantially in the form attached hereto as Composite Exhibit D; and

WHEREAS, in connection with the sale of the Bonds, it may be necessary that certain modifications be made to the *Master Assessment Methodology Report* dated October 27, 2016 ("Assessment Methodology Report") and the Engineer's Report to conform such reports to the final terms of the Bonds; and

WHEREAS, the proceeds of the Bonds shall also fund a debt service reserve account, pay capitalized interest and pay the costs of the issuance of the Bonds.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the Avalon Groves Community Development District (the "Board"), as follows:

Section 1. **Negotiated Limited Offering of Bonds**. The District hereby finds that because of the complex nature of assessment bond financings in order to better time the sale of the Bonds and secure better rates, it is necessary and in the best interest of the District that the Assessment Area One Bonds, in the aggregate principal amount of not exceeding $10,000,000, and that the Assessment Area Two-1 Bonds and Assessment Area Two-2 Bonds (herein collectively, the "Assessment Area Two Bonds") in the aggregate principal amount of not exceeding $10,000,000 all be sold on a negotiated limited offering basis. The District hereby further finds that it will not be adversely affected if the Bonds are not sold pursuant to competitive sales.

Section 2. **Purpose; Assessment Area Designation**. The District has authorized its capital improvement plan for the parcels comprising Assessment Area One and Assessment Area Two, as set forth in the Engineer's Report, and hereby authorizes the financing of all or a portion of the acquisition and construction of certain public infrastructure benefiting the assessable lands within the District and such lands are hereby designated as "Assessment Area One" and "Assessment Area Two" within the District by issuing the respective series of Bonds to finance all or a portion of the Assessment Area One Project and the Assessment Area Two Project and, collectively, the "Projects." The Projects include, but are not limited to, stormwater drainage facilities including related earthwork, water and sewer facilities, public roadway improvements, landscaping in public rights-of-way including entrance features and related costs, including the acquisition of land for such purpose, all as more particularly described in the Engineer's Report.

Section 3. **Sale of the Bonds**. Except as otherwise provided in the last sentence of this Section 3, the proposal submitted by the Underwriter offering to purchase the Bonds at the purchase price established pursuant to the parameters set forth below and on the terms and conditions set forth in the Bond Purchase Contract (attached hereto as Exhibit A), are hereby approved and adopted by the District in substantially the form presented. Subject to the last sentence of this Section 3, the Chairperson (or, in the absence of the Chairperson, any other member of the Board) is hereby authorized to execute and deliver on behalf of the District, and the Secretary of the District is hereby authorized (if so required) to affix the Seal of the District and attest to the execution of the Bond Purchase Contract in substantially the form presented at this meeting. The disclosure statements of the Underwriter, as required by Section 218.385, Florida Statutes, to be delivered to the District prior to the execution of the Bond Purchase Contract, a copy of which is attached as an exhibit to the Bond Purchase Contract, will be entered into the official records of the District. The Bond Purchase Contract, in final form as determined by counsel to the District and the Chairperson, may be executed by the District without further action provided that (i) the Bonds mature not later than the statutory permitted period; (ii) the principal amount of the Assessment Area One Bonds issued does not exceed $10,000,000 and the principal amount of the Assessment Area Two Bonds issued does not exceed in the aggregate $10,000,000; (iii) the average coupon rate on the Bonds shall not exceed the maximum statutory rate; (iv) if the Bonds are subject to optional redemption which determination will be made on or before the sale date of the Bonds, the first optional call date shall be not later than November 1, 2032 and the redemption price shall be equal to the principal amount of Bonds redeemed; and (v) the purchase price to be paid by the Underwriter for the

Bonds is not less than 97.5% of the principal amount of the Bonds issued (exclusive of any original issuance discount and underwriter's counsel fee).

Section 4. **The Limited Offering Memorandum**. The Limited Offering Memorandum, in substantially the form of the Preliminary Limited Offering Memorandum (as herein defined and subject to the other conditions set forth herein) attached hereto as Exhibit B, with such changes as are necessary to conform to the details of the Bonds and the requirements of the Bond Purchase Contract, is hereby approved. The District hereby authorizes the execution of the Limited Offering Memorandum and the District hereby authorizes the Limited Offering Memorandum, when in final form, to be used in connection with the limited offering and sale of the Bonds. The District hereby authorizes and consents to the use by the Underwriter of a Preliminary Limited Offering Memorandum substantially in the form attached hereto as Exhibit B, in connection with the Limited Offering of the Bonds (the "Preliminary Limited Offering Memorandum"). The final form of a Preliminary Limited Offering Memorandum shall be determined by the Underwriter and the professional staff of the District, with final approval by the Chairperson. The Limited Offering Memorandum may be modified in a manner not inconsistent with the substance thereof and the terms of the Bonds as shall be deemed advisable by the Bond Counsel and counsel to the District, with final approval by the Chairperson. The Chairperson (or, in the absence of the Chairperson, any other member of the Board) is hereby further authorized to execute and deliver on behalf of the District, the Limited Offering Memorandum and any amendment or supplement thereto, with such changes, modifications and deletions as the member of the Board executing the same may deem necessary and appropriate with the advice of Bond Counsel and counsel to the District, with final approval by the Chairperson, such execution and delivery to be conclusive evidence of the approval and authorization thereof by the District. The District hereby authorizes the Chairperson (or, in the absence of the Chairperson, any other member of the Board) to deem "final" the Preliminary Limited Offering Memorandum except for permitted omissions all within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934 and to execute a certificate in that regard.

Section 5. **Details of the Bonds.** The proceeds of the Bonds shall be applied in accordance with the provisions of the Indenture. The Bonds shall mature in the years and in the amounts, bear interest at such rates and be subject to redemption, all as provided in the Indenture. The execution of the Indenture shall constitute approval of such terms as set forth in the Indenture and this Resolution. The maximum aggregate principal amount of the Bonds authorized to be issued pursuant to this Resolution and the applicable Indenture (as defined below) shall not exceed $10,000,000 with respect to the Assessment Area One Bonds and $10,000,000 in the aggregate with respect to the Assessment Area Two Bonds.

Section 6. **Continuing Disclosure**; Dissemination Agent. The Board does hereby authorize and approve the execution and delivery of a Continuing Disclosure Agreement by the Chairperson (or, in the absence of the Chairperson, any other member of the Board) substantially in the form presented to this meeting and attached hereto as Exhibit C. The Continuing Disclosure Agreement is being executed by the District and the other parties thereto in order to assist the Underwriter in the marketing of the Bonds and compliance with Rule 15c2-12 of the Securities and Exchange Commission. Development Planning & Finance Group, Inc. is hereby appointed the initial dissemination agent.

Section 7. Authorization of Execution and Delivery of the First Supplemental Trust Indenture, the Second Supplemental Trust Indenture and the Third Supplemental Trust Indenture; Application of Master Indenture. The District does hereby authorize and approve the execution by the Chairperson (or, in the absence of the Chairperson, the Vice Chairperson or any other member of the Board) and the Secretary and the delivery of the Second Supplemental Indenture between the District and the Trustee. The previously approved Master Indenture will be applicable to the Bonds. The Assessment Area One Indenture, the Assessment Area Two-1 Indenture and the Assessment Area Two-2 Indenture (collectively, the "Indenture") shall provide for the security of the Assessment Area One Bonds, the Assessment Area Two-1 Bonds and the Assessment Area Two-2 Bonds, respectively, and express the contract between the District and the owners of the Bonds. The First Supplemental, the Second Supplemental and the Third Supplemental shall be substantially in the forms attached hereto as Composite Exhibit D and is hereby approved, with such changes therein as are necessary or desirable to reflect the terms of the sale of the Bonds as shall be approved by the Chairperson (or, in the absence of the Chairperson, the Vice Chairperson, or any other member of the Board) executing the same, with such execution to constitute conclusive evidence of such officer's approval and the District's approval of any changes therein from the forms of the First Supplemental, the Second Supplemental and the Third Supplemental attached hereto as Composite Exhibit D.

Section 8. Authorization and Ratification of Prior Acts. All actions previously taken by or on behalf of District in connection with the issuance of the Bonds are hereby authorized, ratified and confirmed.

Section 9. Appointment of Underwriter. The Board hereby formally appoints FMSbonds, Inc., as the Underwriter for the Bonds.

Section 10. Book-Entry Only Registration System. The registration of the Bonds shall initially be by the book-entry only system established with The Depository Trust Company.

Section 11. Assessment Methodology Report. The Board hereby authorizes any modifications to the Assessment Methodology Report prepared by Development Planning & Finance Group, Inc. in connection with the Bonds if such modifications are determined to be appropriate in connection with the issuance of the Bonds.

Section 12. Engineer's Report. The Board hereby authorizes any modifications to the Engineer's Report prepared by Heidt Design, LLC in connection with the Bonds if such modifications are determined to be appropriate in connection with the issuance of the Bonds or modifications to the Assessment Area Two Project.

Section 13. Further Official Action. The Chairperson, the Vice Chairperson, the Secretary and each member of the Board and any other proper official or member of the professional staff of the District are each hereby authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or desirable for carrying out the transactions contemplated by this Resolution. In the event that the Chairperson, the Vice Chairperson or the Secretary is unable to execute and deliver the documents herein contemplated, such documents shall be executed and delivered by the respective designee of such officer or official or any other duly authorized officer or official of

the District herein authorized. The Secretary or any Assistant Secretary is hereby authorized and directed to apply and attest the official seal of the District to any agreement or instrument authorized or approved herein that requires such a seal and attestation.

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

PASSED in public session of the Board of Supervisors of the Avalon Groves Community Development District, this 18th day of January, 2017.

AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT

ATTEST:

By:_____
Name:_____
Title:_____

By:_____
Name:_____
Title: Chairperson, Board of Supervisors

EXHIBIT A

FORM OF BOND PURCHASE CONTRACT

EXHIBIT B

DRAFT COPY OF PRELIMINARY LIMITED OFFERING MEMORANDUM

EXHIBIT C

FORM OF CONTINUING DISCLOSURE AGREEMENT

COMPOSITE EXHIBIT D

FORMS OF FIRST SUPPLEMENTAL TRUST INDENTURE, SECOND SUPPLEMENTAL TRUST INDENTURE AND THIRD SUPPLEMENTAL TRUST INDENTURE

WPB/383657735v4/158733.010100

DRAFT-1
GrayRobinson, P.A.
December 9, 2016

AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT
(LAKE COUNTY, FLORIDA)

$_____*	$_____*	$_____*
Special Assessment Bonds, Series 2017 (Assessment Area One Project)	**Special Assessment Bonds, Series 2017A-1 (Assessment Area Two Project)**	**Special Assessment Bonds, Series 2017A-2 (Assessment Area Two Project)**

BOND PURCHASE CONTRACT

January ___, 2017

Board of Supervisors
Avalon Groves Community Development District
Lake County, Florida

Ladies and Gentlemen:

FMSbonds, Inc. (the "Underwriter") offers to enter into this Bond Purchase Contract (the "Purchase Contract") with the Avalon Groves Community Development District (the "District"). The District is located entirely within unincorporated Lake County, Florida (the "County"). This offer of the Underwriter shall, unless accepted by the District, acting through its Board of Supervisors (the "Board"), expire at 10:00 P.M. prevailing time within the jurisdiction of the District on the date hereof, unless previously withdrawn or extended in writing by the Underwriter. This Purchase Contract shall be binding upon the District and the Underwriter upon execution and delivery. Any capitalized word not defined herein shall have the meaning ascribed thereto in the Preliminary Limited Offering Memorandum (as hereinafter defined). In conformance with Section 218.385, Florida Statutes, as amended, the Underwriter hereby delivers to the District the Disclosure and Truth-In-Bonding Statements attached hereto as Exhibit A.

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the District, and the District hereby agrees to sell and deliver to the Underwriter, all (but not less than all) of the District's: (a) $_____ Avalon Groves Community Development District Special Assessment Bonds, Series 2017 (Assessment Area One Project) (the "Assessment Area One Bonds") and (b) $_____ Avalon Groves Community Development District Special Assessment Bonds, Series 2017A-1 (Assessment Area Two Project) (the "Assessment Area Two-1 Bonds") and (c) $_____ Avalon Groves Community Development District Special Assessment Bonds, Series 2017A-2 (Assessment Area Two Project) (the "Assessment Area Two-2 Bonds" and, collectively with the Assessment Area One Bonds and the Assessment Area Two-1 Bonds, the "Series 2017 Bonds"). The Series 2017 Bonds shall be dated their date of delivery and shall mature on the dates, shall bear interest at the rates, and shall be subject to redemption prior to maturity, all as provided in Exhibit B attached hereto.

The purchase price for the Assessment Area One Bonds shall be $_____ (representing the $_____ aggregate principal amount of the Assessment Area One Bonds, less original issue discount of $_____ and less an underwriter's discount of $_____). The purchase price for the Assessment Area Two-1 Bonds shall be $_____ (representing the $_____ aggregate principal amount of the Assessment Area Two-1 Bonds, less original issue discount of $_____ and less an underwriter's discount of $_____). The purchase price for the Assessment Area Two-2 Bonds shall be $_____ (representing the $_____ aggregate principal amount of the Assessment Area Two-2

Bonds, less an underwriter's discount of $_____). Payment of the purchase price and delivery of the Series 2017 Bonds and the other actions contemplated hereby to take place at the time of such payment and delivery are hereinafter referred to as the "Closing."

2. The Series 2017 Bonds. The Series 2017 Bonds are to be issued by the District, a local unit of special-purpose government of the State of Florida (the "State") created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended, any successor statute thereto, the Florida Constitution, and other applicable provisions of law (collectively, the "Act"), by Ordinance No. 2016-16, enacted by the Board of County Commissioners of the County on April 19, 2016 and became effective on April 27, 2016 (the "Ordinance"). The Series 2017 Bonds are being issued pursuant to the Act and secured pursuant to the provisions of a Master Trust Indenture dated as of January 1, 2017 (the "Master Indenture"), as amended and supplemented, with respect to the Assessment Area One Bonds by a First Supplemental Trust Indenture dated as of January 1, 2017 (the "First Supplemental Indenture" and, together with the Master Indenture, the "Assessment Area One Indenture"), with respect to the Assessment Area Two-1 Bonds by a Second Supplemental Trust Indenture dated as of January 1, 2017 (the "Second Supplemental Indenture" and, together with the Master Indenture, the "Assessment Area Two-1 Indenture"), and with respect to the Assessment Area Two-2 Bonds by a Third Supplemental Trust Indenture dated as of January 1, 2017 (the "Third Supplemental Indenture," together with the Master Indenture, the "Assessment Area Two-2 Indenture") each by and between the District and Regions Bank, as trustee (the "Trustee"), and by Resolution Nos. 2016-20 and 2017-___ adopted by the Board of Supervisors of the District (the "Board") on April 28, 2016 and December 22, 2016, respectively (collectively, the "Bond Resolution"). The Assessment Area One Indenture, the Assessment Area Two-1 Indenture and the Assessment Area Two-2 Indenture are sometimes collectively referred to herein as the "Indentures."

The Assessment Area One Special Assessments, comprising the Pledged Revenues for the Assessment Area One Bonds, have been levied by the District on those lands within the District specially benefited by the Assessment Area One Project pursuant to the Assessment Resolutions (as such term is defined in the Assessment Area One Indenture). The Assessment Area Two-1 Special Assessments, comprising the Pledged Revenues for the Assessment Area Two-1 Bonds, have been levied by the District on those lands within the District specially benefited by the Assessment Area Two Project pursuant to the Assessment Resolutions (as such term is defined in the Assessment Area Two-1 Indenture). The Assessment Area Two-2 Special Assessments, comprising the Pledged Revenues for the Assessment Area Two-2 Bonds, have been levied by the District on those lands within the District specially benefited by the Assessment Area Two Project pursuant to the Assessment Resolutions (as such term is defined in the Assessment Area Two-2 Indenture).

3. Underwriter. It shall be a condition to the District's obligation to sell and to deliver the Series 2017 Bonds to the Underwriter, and to the Underwriter's obligation to purchase, accept delivery of and pay for the Series 2017 Bonds, that the entire principal amount of the Series 2017 Bonds be issued, sold and delivered by the District and purchased, accepted and paid for by the Underwriter at the Closing and that the District and the Underwriter receive the opinions, documents and certificates described in Section 8(c) hereof. The Underwriter agrees to deliver at the Closing a certificate in form satisfactory to Bond Counsel, in its reasonable opinion, as to the initial offering prices or yields of the Series 2017 Bonds.

4. Use of Documents. Prior to the date hereof, the District has caused to be prepared and has provided to the Underwriter a Preliminary Limited Offering Memorandum dated January __, 2017 (such Preliminary Limited Offering Memorandum, including the cover pages and all appendices thereto, and any amendments and supplements thereto that may be authorized by the District for use with respect to the Series 2017 Bonds, being herein collectively called the "Preliminary Limited Offering

Memorandum") of the District related to the Series 2017 Bonds that the District has deemed final as of its date, except for certain permitted omissions (the "permitted omissions"), as contemplated by Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12" or the "Rule") in connection with the limited offering of the Series 2017 Bonds. The Underwriter has reviewed the Preliminary Limited Offering Memorandum prior to the execution of this Purchase Contract. The District has, prior to the date hereof, authorized the Preliminary Limited Offering Memorandum to be circulated and used by the Underwriter in connection with the limited offering of the Series 2017 Bonds. The District shall deliver or cause to be delivered, at its expense, to the Underwriter within seven (7) business days after the date hereof but not later than three (3) days prior to the Closing Date (as defined below) and in sufficient time to allow the Underwriter to comply with all requirements of the Rule and all applicable securities laws and the rules of the Municipal Securities Rulemaking Board (the "MSRB"), a final Limited Offering Memorandum dated January ___, 2017 (such Limited Offering Memorandum, including the cover pages and all appendices thereto, and any amendments and supplements thereto that may be authorized by the District for use with respect to the Series 2017 Bonds being herein collectively called the "Limited Offering Memorandum" and, together with the Preliminary Limited Offering Memorandum, the "Limited Offering Memoranda"). The District hereby ratifies and approves the circulation and use of the Limited Offering Memoranda by the Underwriter.

5. **Definitions**. For purposes hereof, (a) this Purchase Contract, the Indentures, the Series 2017 Bonds, the Continuing Disclosure Agreement to be dated as of the Closing Date, by and among the District, VK Avalon Groves, LLC, a Florida limited liability company (the "Developer"), and Development Planning & Financing Group, Inc. as dissemination agent (the "Dissemination Agent"), in substantially the form attached to the Limited Offering Memorandum as Appendix F thereto (the "Disclosure Agreement") and the DTC Blanket Issuer Letter of Representations entered into by the District, are referred to herein collectively as the "Financing Documents," and (b) the [Completion Agreement (Assessment Area One Project) by and between the District and the Developer dated as of the Closing Date, the Completion Agreement (Assessment Area Two Project) by and between the District and the Developer dated as of the Closing Date (collectively, the "Completion Agreements"), the Acquisition Agreement by and between the District and the Developer dated as of the Closing Date, the Collateral Assignment and Assumption of Development and Contract Rights Relating to Assessment Area One, in recordable form, by and between the District and the Developer dated as of the Closing Date and the Collateral Assignment and Assumption of Development and Contract Rights Relating to Assessment Area Two, in recordable form, by and between the District and the Developer dated as of the Closing Date (collectively, the "Collateral Assignments"), the Agreement Regarding the True-Up and Payment of Series 2017 Special Assessments in recordable form by and between the District and the Developer dated as of the Closing Date (the "True-Up Agreement") and the Declaration of Consent to Jurisdiction of the Avalon Groves Community Development District and to Impose Special Assessments in recordable form by the Developer dated as of the Closing Date (the "Declaration"), are collectively referred to herein as the "Ancillary Agreements."]

6. **Representations, Warranties and Agreements**. The District hereby represents, warrants and agrees as follows:

(a) The Board is the governing body of the District and the District is and will be on the Closing Date duly organized and validly existing as a unit of special-purpose government created pursuant to the Constitution and laws of the State, including, without limitation, the Act;

(b) The District has full legal right, power and authority to: (i) adopt the Bond Resolution and the Assessment Resolutions; (ii) enter into the Financing Documents and Ancillary Agreements to which it is a party; (iii) sell, issue and deliver the Series 2017 Bonds to the Underwriter as provided herein; (iv) apply the proceeds of the sale of the Series 2017 Bonds

for the purposes described in the Limited Offering Memorandum; (v) acknowledge and authorize the use of the Preliminary Limited Offering Memorandum and acknowledge and authorize the use and execution of the Limited Offering Memorandum; and (vi) carry out and consummate the transactions contemplated by the Bond Resolution, the Assessment Resolutions, the Financing Documents, the Ancillary Agreements and the Limited Offering Memoranda, including but not limited to entering into the Collection Agreement to provide for the collection of the Assessment Area One Special Assessments, the Assessment Area Two-1 Special Assessments and the Assessment Area Two-2 Special Assessments using the Uniform Method of collection in accordance with the Indentures. The District has complied, and on the Closing Date will be in compliance in all material respects, with the terms of the Act and with the obligations on its part contained in the Bond Resolution, the Assessment Resolutions, the Financing Documents, the Ancillary Agreements to which it is a party and the Series 2017 Bonds;

(c) At meetings of the Board that were duly called and noticed and at which a quorum was present and acting throughout, the Board duly adopted the Bond Resolution and the Assessment Resolutions, and the same are in full force and effect and have not been supplemented, amended, modified or repealed, except as set forth therein. By all necessary official Board action, the District has duly authorized and approved the use and delivery of the Preliminary Limited Offering Memorandum and the execution and delivery of the Financing Documents, the Ancillary Agreements, the Series 2017 Bonds and the Limited Offering Memorandum, has duly authorized and approved the performance by the District of the obligations on its part contained in the Financing Documents, the Ancillary Agreements and the Series 2017 Bonds and the consummation by it of all other transactions contemplated by this Purchase Contract and the Preliminary Limited Offering Memorandum in connection with the issuance of the Series 2017 Bonds. Upon execution and delivery by the District and the Trustee (and assuming the due authorization, execution and delivery of the Indentures by the Trustee), the Indentures will constitute legal, valid and binding obligations of the District, enforceable in accordance with their terms, subject only to applicable bankruptcy, insolvency, and similar laws affecting creditors' rights and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law). Upon execution by the District and the other parties thereto (and assuming the due authorization, execution and delivery of such agreements by the other parties thereto), the Financing Documents and the Ancillary Agreements will constitute the legal, valid and binding obligations of the District, enforceable in accordance with their respective terms, subject only to applicable bankruptcy, insolvency and similar laws affecting creditors' rights and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law);

(d) The District is not in material breach of or material default under any applicable provision of the Act or any applicable constitutional provision or statute or, to the best of its knowledge, administrative regulation of the State or the United States of America or any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement, or other material instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, and to the best of its knowledge, no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a material default or material event of default under any such instrument; and the execution and delivery of the Series 2017 Bonds, the Financing Documents, the Ancillary Agreements and the Limited Offering Memorandum, the delivery of the Preliminary Limited Offering Memorandum and the adoption of the Bond Resolution and the Assessment Resolutions, and compliance with the provisions on the District's part contained therein, will not conflict with or constitute a material breach of or material default under any applicable constitutional

provision, or law, or, to the best of its knowledge, any administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement, or other instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, nor will any such execution, delivery, adoption, or compliance result in the creation or imposition of any lien, charge, or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the District or under the terms of any such law, regulation or instrument, except as provided by the Assessment Resolutions, the Series 2017 Bonds and the Indentures. To the best of its knowledge, no event has occurred which, with the lapse of time or the giving of notice, or both, would constitute an event of default (as therein defined) under the Series 2017 Bonds, the Ancillary Agreements or the Financing Documents;

(e) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matters which are required for the due authorization by, or which would constitute a condition precedent to, or the absence of which would materially adversely affect, the due performance by the District of its obligations, to issue the Series 2017 Bonds, or under the Series 2017 Bonds, the Bond Resolution, the Assessment Resolutions, the Financing Documents or the Ancillary Agreements have been duly obtained, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Series 2017 Bonds;

(f) The descriptions of the Series 2017 Bonds, the Financing Documents, the Ancillary Agreements and the Assessment Area One Project and the Assessment Area Two Project (collectively, the "Projects"), to the extent referred to in the Limited Offering Memoranda, conform in all material respects to the Series 2017 Bonds, the Financing Documents, the Ancillary Agreements and the Projects, respectively;

(g) The Series 2017 Bonds, when issued, executed and delivered in accordance with the Indentures and when delivered to and paid for by the Underwriter at the Closing in accordance with the provisions of this Purchase Contract, will be validly issued and outstanding obligations of the District, entitled to the benefits of the Indentures and upon such issuance, execution and delivery of the Series 2017 Bonds, the Indentures will provide, for the benefit of the holders from time to time of each Series of the Series 2017 Bonds, a legally valid and binding pledge of and first lien on the respective Series of Pledged Revenues. On the Closing Date, all conditions precedent to the issuance of the Series 2017 Bonds set forth in the respective Indentures will have been complied with or fulfilled;

(h) There is no claim, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to its best knowledge, threatened against the District: (i) contesting the corporate existence or powers of the Board or the titles of the respective officers of the Board to their respective offices; (ii) affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Series 2017 Bonds or the application of the proceeds of the sale thereof for the purposes described in the Limited Offering Memorandum, or the collection of the Assessment Area One Special Assessments, the Assessment Area Two-1 Special Assessments or the Assessment Area Two-2 Special Assessments, or the pledge of and lien on the respective Pledged Revenues pursuant to the Indentures; (iii) contesting or affecting specifically as to the District the validity or enforceability of the Act or any action of the District in any respect relating to the authorization for the issuance of the Series 2017 Bonds, or the authorization of the Projects, the Bond Resolution, the Assessment Resolutions, the Financing Documents and the Ancillary Agreements to which the District is a party, or the application of the proceeds of the Series 2017 Bonds for the purposes set

forth in the Preliminary Limited Offering Memorandum; (iv) contesting the federal tax status of the Series 2017 Bonds; or (v) contesting the completeness or accuracy of the Limited Offering Memoranda or any supplement or amendment thereto;

(i) To the extent applicable, the District will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order to: (i) qualify the Series 2017 Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate; and (ii) determine the eligibility of the Series 2017 Bonds for investment under the laws of such states and other jurisdictions, and the District will use its best efforts to continue such qualifications in effect so long as required for the initial limited offering and distribution of the Series 2017 Bonds; provided, however, that the District shall not be required to execute a general or special consent to service of process or to qualify to do business in connection with any such qualification or determination in any jurisdiction or register as a broker/dealer;

(j) As of its date (unless an event occurs of the nature described in paragraph (1) of this Section 6) and at all times subsequent thereto, up to and including the Closing Date, the statements and information contained in the Preliminary Limited Offering Memorandum (other than "Permitted Omissions") and in the Limited Offering Memorandum are and will be accurate in all material respects for the purposes for which their use is authorized and do not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; provided, however, that no representation is made concerning information contained in the Limited Offering Memoranda under the captions "DESCRIPTION OF THE SERIES 2017 BONDS – Book-Entry Only System," "THE DEVELOPMENT," "THE DEVELOPER," "TAX MATTERS," "SUITABILITY FOR INVESTMENT," "LITIGATION – The Developer" and "UNDERWRITING";

(k) If the Limited Offering Memorandum is supplemented or amended pursuant to subsection (1) of this Section 6, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto up to and including the Closing Date, the Limited Offering Memorandum as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that no representation is made concerning information contained in the Limited Offering Memoranda Memorandum under the captions "DESCRIPTION OF THE SERIES 2017 BONDS – Book-Entry Only System," "THE DEVELOPMENT," "THE DEVELOPER," "TAX MATTERS," "SUITABILITY FOR INVESTMENT," "LITIGATION – The Developer" and "UNDERWRITING";

(l) If between the date of this Purchase Contract and the earlier of (i) date that is ninety (90) days from the end of the "Underwriting Period" as defined in Rule 15c2-12 or (ii) the time when the Limited Offering Memorandum is available to any person from the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System (but in no event less than twenty-five (25) days following the end of the Underwriting Period), any event shall occur, of which the District has actual knowledge, which might or would cause the Limited Offering Memorandum, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the District shall notify the Underwriter thereof, and, if in the opinion of the Underwriter such event requires the preparation

and publication of a supplement or amendment to the Limited Offering Memorandum, the District will at its expense supplement or amend the Limited Offering Memorandum in a form and in a manner approved by the Underwriter. The end of the Underwriting Period shall be the next business day after the Closing Date;

(m) Since its inception, there has been no material adverse change in the properties, businesses, results of operations, prospects, management or financial or other condition of the District, except as disclosed in the Limited Offering Memoranda, and the District has not incurred liabilities that would materially adversely affect its ability to discharge its obligations under the Bond Resolution, the Assessment Resolutions, the Series 2017 Bonds, the Financing Documents or the Ancillary Agreements, direct or contingent, other than as set forth in or contemplated by the Limited Offering Memoranda;

(n) The District is not now in default and has not been in default at any time after December 31, 1975 in the payment of the principal of or the interest on any governmental security issued or guaranteed by it which would require the disclosure pursuant to Section 517.051, Florida Statutes or Rule 3E- 400.003 of the Florida Department of Financial Services;

(o) Except as disclosed in the Limited Offering Memoranda, the District has never failed to comply in any material respect with any continuing disclosure obligations previously undertaken by the District in accordance with the continuing disclosure requirements of the Rule;

(p) Any certificate signed by any official of the District and delivered to the Underwriter will be deemed to be a representation by the District to the Underwriter as to the statements made therein; and

(q) From the date of this Purchase Contract through the Closing Date, the District will not issue any bonds (other than the Series 2017 Bonds), notes or other obligations payable from the Pledged Revenues for any Series of Series 2017 Bonds.

7. **Closing**. At 10:00 a.m. prevailing time on January __, 2017 (the "Closing Date") or at such later time as may be mutually agreed upon by the District and the Underwriter, the District will deliver or cause to be delivered to the Underwriter the Series 2017 Bonds in definitive book-entry-only form, duly executed and authenticated, together with the other documents hereinafter mentioned, and, subject to the terms and conditions hereof, the Underwriter will accept such delivery and pay the purchase price of the Series 2017 Bonds as set forth in Section 1 hereof, in federal or other immediately available funds to the order of the District. Delivery of the Series 2017 Bonds as aforesaid shall be made pursuant to the FAST system of delivery of The Depository Trust Company, New York, New York, or at such other place as may be mutually agreed upon by the District and the Underwriter. The Series 2017 Bonds shall be typewritten, shall be prepared and delivered as fully registered bonds in book-entry-only form, with one bond for each maturity, registered in the name of Cede & Co. and shall be made available to the Underwriter at least one (1) business day before the Closing Date for purposes of inspection and packaging, unless otherwise agreed by the District and the Underwriter.

8. **Closing Conditions**. The Underwriter has entered into this Purchase Contract in reliance upon the representations, warranties and agreements of the District contained herein, and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered on the Closing Date and upon the performance by the District of its obligations hereunder, both as of the date hereof and as of the Closing Date. Accordingly, the Underwriter's obligations under this Purchase Contract are conditioned upon the performance by the District of its obligations to be performed

hereunder and under such documents and instruments at or prior to the Closing Date, and are also subject to the following additional conditions:

(a) The representations and warranties of the District contained herein shall be true, complete and correct, on the date hereof and on and as of the Closing Date, as if made on the Closing Date;

(b) At the time of the Closing, the Bond Resolution, the Assessment Resolutions, the Series 2017 Bonds, the Ancillary Agreements and the Financing Documents shall each be in full force and effect in accordance with their respective terms and the Bond Resolution, the Assessment Resolutions, the Indentures and the Limited Offering Memoranda shall not have been supplemented, amended, modified or repealed, except in any such case as may have been agreed to by the Underwriter;

(c) At or prior to the Closing Date, the Underwriter and the District shall have received each of the following:

(1) The Limited Offering Memorandum and each supplement or amendment, if any, thereto, executed on behalf of the District by the Chairperson of the Board or such other authorized member of the Board;

(2) A copy of each of the Bond Resolution and the Assessment Resolutions certified by the Secretary or an Assistant Secretary of the Board under seal as having been duly adopted by the Board of the District and as being in full force and effect;

(3) An executed copy of each of the Financing Documents and the Ancillary Agreements in form acceptable to the Underwriter and its counsel;

(4) The opinions, dated as of the Closing Date and addressed to the District, of Greenberg Traurig, P.A., Bond Counsel, in the forms included in the Preliminary Limited Offering Memorandum as Appendix B, together with letters of such counsel, dated as of the Closing Date and addressed to the Underwriter and Trustee, to the effect that the foregoing opinions addressed to the District may be relied upon by the Underwriter and Trustee to the same extent as if such opinions were addressed to them;

(5) The supplemental opinion, dated as of the Closing Date and addressed to the District and the Underwriter, of Greenberg Traurig, P.A., Bond Counsel, in the form annexed as Exhibit C hereto;

(6) The opinion, dated as of the Closing Date and addressed to the District, the Underwriter and the Trustee of Hopping Green & Sams P.A., counsel to the District, in the form annexed as Exhibit D hereto or in form and substance otherwise acceptable to the Underwriter and its counsel;

(7) The opinion, dated as of the Closing Date and addressed to the District, the Trustee and the Underwriter of Shuffield, Lowman & Wilson, P.A., counsel to the Developer, in the form annexed as Exhibit E hereto or in form and substance otherwise acceptable to the Underwriter and its counsel;

(8) An opinion, dated as of the Closing Date and addressed to the Underwriter and the District, of counsel to the Trustee, in form and substance acceptable to Bond Counsel, Underwriter, Underwriter's Counsel, and the District;

(9) A customary authorization and incumbency certificate, dated as of the Closing Date, signed by authorized officers of the Trustee;

(10) A Certificate of the Developer dated as of the Closing Date, in the form annexed as Exhibit F hereto, or otherwise in form and substance satisfactory to Bond Counsel, the Underwriter, Underwriter's counsel and counsel to the District.

(11) A copy of the Ordinance;

(12) A certificate, dated as of the Closing Date, signed by the Chairperson or Vice-Chairperson and the Secretary or an Assistant Secretary of the Board, setting forth that: (i) each of the representations of the District contained herein was true and accurate in all material respects on the date when made, has been true and accurate in all material respects at all times since, and continues to be true and accurate in all material respects on the Closing Date as if made on such date; (ii) the District has performed all obligations to be performed hereunder as of the Closing Date; (iii) except as disclosed in the Limited Offering Memoranda, the District has never been in default as to principal or interest with respect to any obligation issued or guaranteed by the District; (iv) the District agrees to take all reasonable action necessary to use the Uniform Method as the means of collecting the Assessment Area One Special Assessments, the Assessment Area Two-1 Special Assessments and the Assessment Area Two-2 Special Assessments, as described in the respective Indentures; and (v) the Limited Offering Memorandum (other than the information under the captions "DESCRIPTION OF THE SERIES 2017 BONDS – Book-Entry Only System," "THE DEVELOPMENT," "THE DEVELOPER," "TAX MATTERS," "SUITABILITY FOR INVESTMENT," "LITIGATION – The Developer" and "UNDERWRITING," as to which no view need be expressed) as of its date, and as of the date hereof, does not contain any untrue statement of a material fact or omits to state a material fact which should be included therein for the purposes for which the Limited Offering Memoranda is to be used, or which is necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading;

(13) A customary signature and no litigation certificate, dated as of the Closing Date, signed on behalf of the District by the Chairperson or Vice Chairperson and Secretary or an Assistant Secretary of the Board in form and substance acceptable to the Underwriter and Underwriter's Counsel;

(14) Evidence of compliance by the District with the requirements of Section 189.051, Florida Statutes;

(15) Executed copies of the District's certification as to arbitrage and other matters relative to the tax status of the Series 2017 Bonds under Section 148 of the Internal Revenue Code of 1986, as amended, and a copy of the District's Post Issuance Policies and Procedures;

(16) Executed copy of Internal Revenue Service Form 8038-G relating to the Series 2017 Bonds;

(17) A certificate of the District's consulting engineer, dated as of the Closing Date, in the form annexed as Exhibit G hereto or otherwise in form and substance acceptable to Underwriter and Underwriter's Counsel;

(18) A certificate of the District Manager and Methodology Consultant in the form annexed as Exhibit H hereto or otherwise in form and substance acceptable to Underwriter and Underwriter's Counsel;

(19) Such additional documents as may be required by the Indentures to be delivered as a condition precedent to the issuance of the Series 2017 Bonds;

(20) Evidence of compliance by the District with the requirements of Section 215.84, Florida Statutes;

(21) A certified copy of the final judgment of the Circuit Court in and for Lake County, Florida, validating the Series 2017 Bonds and the certificate of no-appeal;

(22) A copy of the "Avalon Groves Community Development District Preliminary Engineer's Report" dated October 11, 2016;

(23) A certificate of the District whereby the District has deemed the Preliminary Limited Offering Memorandum final as of its date, except for permitted omissions, as contemplated by Rule 15c2-12 in connection with the limited offering of the Series 2017 Bonds;

(24) A copy of the Master Assessment Methodology Report dated October 27, 2016 (the "Master Methodology") as supplemented by the [Special Assessment Methodology Report dated January ___, 2017];

(25) A Declaration of Consent to Jurisdiction of Avalon Groves Community Development District and to Impose Special Assessments executed and delivered by the Developer and any other entity owning any land in the District as of the Closing Date with respect to all real property owned by such entity(ies) within the District which is subject to the Assessment Area One Special Assessments, the Assessment Area Two-1 Special Assessments or the Assessment Area Two-2 Special Assessments, as applicable, in recordable form and otherwise in form and substance acceptable to the Underwriter and Underwriter's Counsel and counsel to the District;

(26) A certificate of the Dissemination Agent (i) acknowledging its agreement to serve as the initial Dissemination Agent for the District with respect to the Series 2017 Bonds and undertake the obligations of the Dissemination Agent as set forth in the Continuing Disclosure Agreement and (ii) representing that the Dissemination Agent is aware of the continuing disclosure requirements set forth in the Continuing Disclosure Agreement and Rule 15c2-12, (iii) that it has policies and procedures in place to ensure its compliance with its obligations under the Continuing Disclosure Agreement, and (iv) covenanting to comply with the District's continuing disclosure undertakings entered into pursuant to Rule 15c2-12 at all times in the future; and

(27) Such additional legal opinions, certificates, instruments and other documents as the Underwriter, Underwriter's Counsel, Bond Counsel or counsel to the District may reasonably request to evidence the truth and accuracy, as of the date hereof

and as of the Closing Date, of the District's representations and warranties contained herein and of the statements and information contained in the Limited Offering Memoranda and the due performance or satisfaction by the District and the Developer on or prior to the Closing of all the agreements then to be performed and conditions then to be satisfied by each.

If the District shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Series 2017 Bonds contained in this Purchase Contract (unless waived by the Underwriter in its sole discretion), or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Series 2017 Bonds shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Underwriter nor the District shall be under any further obligation hereunder, except that the respective obligations of the District and the Underwriter set forth in Section 10 hereof shall continue in full force and effect.

9. Termination. The Underwriter shall have the right to terminate its obligations under this Purchase Contract to purchase, to accept delivery of and to pay for the Series 2017 Bonds by notifying the District of its election to do so if, after the execution hereof and prior to the Closing: (i) legislation shall have been introduced in or enacted by the Congress of the United States or enacted by the State, or legislation pending in the Congress of the United States shall have been amended, or legislation shall have been recommended to the Congress of the United States or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairperson or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation shall have been proposed for consideration by either such committee, by any member thereof, or legislation shall have been favorably reported for passage to either House of Congress of the United States by a committee of such House to which such legislation has been referred for consideration, or a decision shall have been rendered by a court of the United States or the State, including the Tax Court of the United States, or a ruling shall have been made or a regulation shall have been proposed or made or a press release or other form of notice shall have been issued by the Treasury Department of the United States, or the Internal Revenue Service or other federal or State authority, with respect to federal or State taxation upon revenues or other income of the general character to be derived by the District or by any similar body, or upon interest on obligations of the general character of the Series 2017 Bonds, which may have the purpose or effect, directly or indirectly, of materially and adversely affecting the tax status of the District, its property or income, its securities (including the Series 2017 Bonds) or the interest thereon, or any tax exemption granted or authorized by the State or, which in the reasonable opinion of the Underwriter, affects materially and adversely the market for the Series 2017 Bonds, or the market price generally of obligations of the general character of the Series 2017 Bonds; (ii) the District or the Developer has, without the prior written consent of the Underwriter, offered or issued any bonds, notes or other obligations for borrowed money, or incurred any material liabilities, direct or contingent, or there has been an adverse change of a material nature in the financial position, results of operations or condition, financial or otherwise, of the District, the Developer or the Builder, other than (x) in the ordinary course of its business or (y) mortgages in favor of the Builders given to secure the release of security deposits under the Builder Contracts, as described in the Preliminary Limited Offering Memorandum; (iii) any event shall have occurred or shall exist which, in the reasonable opinion of the Underwriter, would or might cause the information contained in the Limited Offering Memorandum, as then supplemented or amended, to contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; or (iv) the District fails to adopt the Assessment Resolutions or fails to perform any action to be performed by it in connection with the levy of the Assessment Area One Special Assessments, the Assessment Area Two-1 Special Assessments or the Assessment Area Two-2 Special Assessments.

10. Expenses.

(a) The District agrees to pay, and the Underwriter shall not be obligated to pay, any expenses incident to the performance of the District's obligations hereunder, including, but not limited to: (i) the cost of the preparation and distribution of the Indentures; (ii) the cost of the preparation and printing, if applicable, of the Limited Offering Memoranda and any supplements thereto, together with a reasonable number of copies which the Underwriter may request; (iii) the cost of registering the Series 2017 Bonds in the name of Cede & Co., as nominee of DTC, which will act as securities depository for such Bonds; (iv) the fees and disbursements of counsel to the District, the District Manager, the Dissemination Agent, Bond Counsel, Underwriter's Counsel, the District's methodology consultant, the District Engineer, the Trustee, Trustee's Counsel and any other experts or consultants retained by the District; and (v) the cost of recording in the Official Records of the County any Financing Documents, Ancillary Agreements or other documents or certificates that are required to be recorded pursuant to the terms of this Purchase Contract. It is anticipated that such expenses shall be paid from the proceeds of the Series 2017 Bonds. The District shall record all documents required to be provided in recordable form hereunder within three business days after the Closing Date, which obligation shall survive the Closing.

(b) The Underwriter agrees to pay all advertising expenses in connection with the Series 2017 Bonds, if any.

11. No Advisory or Fiduciary Role. The District acknowledges and agrees that (i) the purchase and sale of the Series 2017 Bonds pursuant to this Agreement is an arm's-length commercial transaction between the District and the Underwriter, (ii) in connection with such transaction and with the discussions, undertakings and procedures leading up to such transaction, the Underwriter is and has been acting solely as a principal and not as an advisor (including, without limitation, a Municipal Advisor (as such term is defined in Section 975(e) of the Dodd Frank Wall Street Reform and Consumer Protection Act)), agent or fiduciary of the District, (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the District with respect to the limited offering of the Series 2017 Bonds or the discussions, undertakings and procedures leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has provided any services or is currently providing other services to the District on other matters) or any other obligation to the District, and the Underwriter has no obligation to the District with respect to the limited offering contemplated hereby except the obligations expressly set forth in this Agreement, (iv) the Issuer has consulted its own legal, financial and other advisors to the extent it has deemed appropriate in connection with the offering of the Series 2017 Bonds and (v) the Underwriter has financial and other interests that differ from those of the Issuer.

12. Notices. Any notice or other communication to be given to the District under this Purchase Contract may be given by delivering the same in writing to Development Planning & Financing Group, Inc., 1060 Maitland Center, Ste. # 340, Maitland, Florida 32751, and any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to FMSbonds, Inc., 20660 W. Dixie Highway, North Miami Beach, Florida 33180, Attention: Jon Kessler.

13. Parties in Interest; Survival of Representations. This Purchase Contract is made solely for the benefit of the District and the Underwriter (including the successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. All of the District's representations, warranties and agreements contained in this Purchase Contract shall remain operative and in full force and effect and survive the closing on the Series 2017 Bonds, regardless of: (i)

any investigations made by or on behalf of the Underwriter and (ii) delivery of and payment for the Series 2017 Bonds pursuant to this Purchase Contract.

14. **Effectiveness**. This Purchase Contract shall become effective upon the execution by the appropriate officials of the District and shall be valid and enforceable at the time of such acceptance. To the extent of any conflict between the provisions of this Purchase Contract and any prior contract between the parties hereto, the provisions of this Purchase Contract shall govern.

15. **Headings**. The headings of the sections of this Purchase Contract are inserted for convenience only and shall not be deemed to be a part hereof.

16. **Amendment**. No modification, alteration or amendment to this Purchase Contract shall be binding upon any party until such modification, alteration or amendment is reduced to writing and executed by all parties hereto.

17. **Governing Law**. This Purchase Contract shall be governed and construed in accordance with the laws of the State.

18. **Counterparts; Facsimile**. This Purchase Contract may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were signatures upon the same instrument. Facsimile and pdf signatures shall be deemed originals.

[Remainder of page intentionally left blank.]

Very truly yours,

FMSBONDS, INC.

By: _____
Theodore A. Swinarski,
Senior Vice President - Trading

Accepted and agreed to this
__ day of January, 2017.

AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT

By: _____
James Harvey,
Chairperson, Board of Supervisors

EXHIBIT A

DISCLOSURE AND TRUTH-IN-BONDING STATEMENT

January __, 2017

Board of Supervisors
Avalon Groves Community Development District
Lake County, Florida

Re: $_____ Avalon Groves Community Development District Special Assessment Bonds, Series 2017 (Assessment Area Two Project) (the "Assessment Area One Bonds") and $_____ Avalon Groves Community Development District Special Assessment Bonds, Series 2017A-1 (Assessment Area Two Project) (the "Assessment Area Two-1 Bonds") and $_____ Avalon Groves Community Development District Special Assessment Bonds, Series 2017A-2 (Assessment Area Two Project) (the "Assessment Area Two-2 Bonds" and, together with the Assessment Area One Bonds and the Assessment Area Two-1 Bonds, the "Series 2017 Bonds")

Dear Ladies and Gentlemen:

Pursuant to Chapter 218.385, Florida Statutes, and with respect to the issuance of the Series 2017 Bonds, FMSbonds, Inc. (the "Underwriter"), pursuant to a Bond Purchase Contract dated January ___, 2017 (the "Bond Purchase Contract"), between the Underwriter and Avalon Groves Community Development District (the "District"), furnishes the following disclosures to the District (all capitalized terms used and not otherwise defined herein shall have the meanings assigned to them in the Bond Purchase Contract):

1. The underwriting discount paid to the Underwriter pursuant to the Bond Purchase Contract for the Assessment Area One Bonds is approximately $____ per $1,000.00 or $_____ and the underwriting discount paid to the Underwriter pursuant to the Bond Purchase Contract for the Assessment Area Two-1 Bonds is approximately $____ per $1,000.00 or $_____ and the underwriting discount paid to the Underwriter pursuant to the Bond Purchase Contract for the Assessment Area Two-2 Bonds is approximately $____ per $1,000.00 or $_____, for a combined total underwriting discount paid to the Underwriter of approximately $____ per $1,000.00 or $_____ for the Series 2017 Bonds.

2. The names, addresses and estimated amounts of compensation of any person who is not regularly employed by, or not a partner or officer of, the Underwriter, bank, banker, or financial consultant or advisor and who enters into an understanding with either the District or the Underwriter, or both, for any paid or promised compensation or valuable consideration directly, expressly or impliedly, to act solely as an intermediary between the District and the Underwriter for the purposes of influencing any transaction in the purchase of the Series 2017 Bonds are: None.

3. The nature and estimated amounts of expenses to be incurred by the Underwriter in connection with the issuance of the Series 2017 Bonds are set forth in Schedule I attached hereto.

4. The management fee charged by the Underwriter is: $0/$1,000 or $0.

5. Any other fee, bonus or other compensation estimated to be paid by the Underwriter in connection with the Series 2017 Bonds to any person not regularly employed or retained by the Underwriter in connection with the Series 2017 Bonds is as follows: None. GrayRobinson, P.A. has been retained as counsel to the Underwriter and will be compensated by the District.

7. The name and address of the Underwriter is:

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

The District is proposing to issue $_____ aggregate amount of the Assessment Area One Bonds for the purpose providing funds for (i) the Costs of acquiring all or a portion of the Assessment Area One Project, (ii) the funding of the Assessment Area One Reserve Account, (iii) pay Capitalized Interest on Assessment Area One Bonds through _____, and (iv) the payment of the costs of issuance of the Series 2017 Bonds.

The District is proposing to issue $_____ aggregate amount of the Assessment Area Two-1 Bonds for the purpose providing funds for (i) the Costs of acquiring and/or constructing a portion of the Assessment Area Two Project, (ii) funding Capitalized Interest through at least November 1, 20__, (iii) the funding of the Assessment Area Two-1 Reserve Account, and (iv) the payment of the costs of issuance of the Series 2017 Bonds.

The District is proposing to issue $_____ aggregate amount of the Assessment Area Two-2 Bonds for the purpose of providing funds for (i) the Costs of acquiring and/or constructing a portion of the Assessment Area Two Project, (ii) funding Capitalized Interest through at least November 1, 20__, (iii) the funding of the Assessment Area Two-2 Reserve Account, and (iv) the payment of the costs of issuance of the Series 2017 Bonds.

The debt evidenced by the Assessment Area One Bonds is expected to be repaid over a period of approximately _____ (___) years. At the interest rates set out in Exhibit B to this Purchase Contract, total interest paid over the life of the Assessment Area One Bonds will be $_____.

The debt evidenced by the Assessment Area Two-1 Bonds is expected to be repaid over a period of approximately _____ (___) years. At the interest rates set out in Exhibit B to this Purchase Contract, total interest paid over the life of the Assessment Area Two-1 Bonds will be $_____.

The debt evidenced by the Assessment Area Two-2 Bonds is structured to be repaid over a period of approximately _____ (___) years. At the interest rates set out in Exhibit B to this Purchase Contract, total interest paid over the life of the Assessment Area Two-2 Bonds, if paid upon final maturity, will be $_____.

The source of repayment for the Assessment Area One Bonds and the Assessment Area Two-1 Bonds and the Assessment Area Two-2 Bonds are the Assessment Area One Special Assessments, the Assessment Area Two-1 Special Assessments and the Assessment Area Two-2 Special Assessments, respectively, imposed and collected by the District. Based solely upon the assumptions set forth in the paragraphs above, the issuance of the Assessment Area One Bonds will result in approximately $_____ (representing the average annual debt service payments due on the Assessment Area One Bonds) of the Assessment Area One Special Assessment revenues not being available to the District on an annual basis to finance other services of the District, and the issuance of the Assessment Area Two-1

Bonds will result in approximately $_____ (representing the average annual debt service payments due on the Assessment Area Two-1 Bonds) of the Assessment Area Two-1 Special Assessment revenues not being available to the District on an annual basis to finance other services of the District, and the issuance of the Assessment Area Two-2 Bonds will result in approximately $_____ (representing the average annual debt service payments due on the Assessment Area Two-2 Bonds) of the Assessment Area Two-2 Special Assessment revenues not being available to the District on an annual basis to finance other services of the District; provided however, that in the event that the Assessment Area One Bonds, the Assessment Area Two-1 Bonds and the Assessment Area Two-2 Bonds were not issued, the District would not be entitled to impose and collect the Assessment Area one Special Assessments, the Assessment Area Two-1 Special Assessments and the Assessment Area Two-2 Special Assessments, respectively, in the amount of the principal of and interest to be paid on the Assessment Area One Bonds, the Assessment Area Two-1 Bonds and the Assessment Area Two-2 Bonds, respectively.

[Remainder of page intentionally left blank.]

Sincerely,

FMSBONDS, INC.

By: _____
Theodore A. Swinarski,
Senior Vice President - Trading

SCHEDULE I

Expenses for the Assessment Area One Bonds:

Expense	Amount
DALCOMP	
Clearance	
CUSIP	
DTC	
FINRA/SIPC	
MSRB	
Newsservice	
Electronic Orders	
TOTAL:	

Expenses for the Assessment Area Two-1 Bonds:

Expense	Amount
DALCOMP	
Clearance	
CUSIP	
DTC	
FINRA/SIPC	
MSRB	
Newsservice	
Electronic Orders	
TOTAL:	

Expenses for the Assessment Area Two-2 Bonds:

Expense	Amount
DALCOMP	
Clearance	
CUSIP	
DTC	
FINRA/SIPC	
MSRB	
Newsservice	
Electronic Orders	
TOTAL:	

EXHIBIT B

TERMS OF BONDS

1. **Purchase Price for the Assessment Area One Bonds:** $_____ (representing the $_____ aggregate principal amount of the Assessment Area One Bonds, less original issue discount of $_____ and less an underwriter's discount of $_____).

2. **Purchase Price for the Assessment Area Two-1 Bonds:** $_____ (representing the $_____ aggregate principal amount of the Assessment Area Two-1 Bonds, less original issue discount of $_____ and less an underwriter's discount of $_____).

3. **Purchase Price for the Assessment Area Two-2 Bonds:** $_____ (representing the $_____ aggregate principal amount of the Assessment Area Two-2 Bonds, less an underwriter's discount of $_____).

4. **Principal Amounts, Maturities, Interest Rates and Prices:**

Assessment Area One Bonds

Amount	Maturity Date	Rate	Price

Assessment Area Two-1 Bonds

Amount	Maturity Date	Rate	Price

Assessment Area Two-2 Bonds

Amount	Maturity Date	Rate	Price

5. **Redemption Provisions:**

Optional Redemption

Assessment Area One Bonds

The Assessment Area One Bonds may, at the option of the District, provided written notice hereof has been sent to the Trustee at least forty-five (45) days prior to the redemption date (unless the Trustee will require less than forty-five (45) days' notice), be called for redemption prior to maturity as a whole or in part, at any time, on or after November 1, ____ (less than all Assessment Area One Bonds of a maturity to be selected randomly), at a Redemption Price equal to the principal amount of Assessment Area One Bonds to be redeemed, plus accrued interest from the most recent Interest Payment Date to the redemption date from moneys on deposit in the Assessment Area One Optional Redemption Subaccount of the Assessment Area One Bond Redemption Account.

Assessment Area Two-1 Bonds

The Assessment Area Two-1 Bonds may, at the option of the District, provided written notice hereof has been sent to the Trustee at least forty-five (45) days prior to the redemption date (unless the Trustee will require less than forty-five (45) days' notice), be called for redemption prior to maturity as a whole or in part, at any time, on or after November 1, ____ (less than all Assessment Area Two-1 Bonds of a maturity to be selected randomly), at a Redemption Price equal to the principal amount of Assessment Area Two-1 Bonds to be redeemed, plus accrued interest from the most recent Interest Payment Date to the redemption date from moneys on deposit in the Assessment Area Two-1 Optional Redemption Subaccount of the Assessment Area Two-1 Bond Redemption Account.

Assessment Area Two-2 Bonds

The Series 2016A-2 Bonds are not subject to optional redemption.

Mandatory Sinking Fund Redemption

Assessment Area One Bonds

The Assessment Area One Bonds maturing on November 1, 20__ are subject to mandatory sinking fund redemption from the moneys on deposit in the Assessment Area One Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a redemption price of 100% of their principal amount plus accrued interest to the date of redemption.

Year	Mandatory Sinking Fund Redemption Amount
*	

*Maturity

The Assessment Area One Bonds maturing on November 1, 20__ are subject to mandatory sinking fund redemption from the moneys on deposit in the Assessment Area One Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a redemption price of 100% of their principal amount plus accrued interest to the date of redemption.

Year	Mandatory Sinking Fund Redemption Amount
*	

*Maturity

The Assessment Area One Bonds maturing on November 1, 20__ are subject to mandatory sinking fund redemption from the moneys on deposit in the Assessment Area One Sinking Fund Account

on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a redemption price of 100% of their principal amount plus accrued interest to the date of redemption.

Year	Mandatory Sinking Fund Redemption Amount
*	

*Maturity

Upon any redemption of Assessment Area One Bonds other than in accordance with scheduled mandatory sinking fund redemptions, the District shall cause to be recalculated and delivered to the Trustee revised mandatory sinking fund redemption amounts recalculated so as to amortize the Outstanding principal amount of Assessment Area One Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Assessment Area One Bonds. The mandatory sinking fund redemption amounts as so recalculated shall not result in an increase in the aggregate of the mandatory sinking fund redemption amounts for all Assessment Area One Bonds in any year. In the event of a redemption or purchase occurring less than 45 days prior to a date on which a mandatory sinking fund redemption payment is due, the foregoing recalculation shall not be made to the mandatory sinking fund redemption amounts due in the year in which such redemption or purchase occurs, but shall be made to the mandatory sinking fund redemption amounts for the immediately succeeding and subsequent years.

Assessment Area Two-1 Bonds

The Assessment Area Two-1 Bonds maturing on November 1, 20__ are subject to mandatory sinking fund redemption from the moneys on deposit in the Assessment Area Two-1 Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a redemption price of 100% of their principal amount plus accrued interest to the date of redemption.

Year	Mandatory Sinking Fund Redemption Amount
*	

*Maturity

The Assessment Area Two-1 Bonds maturing on November 1, 20__ are subject to mandatory sinking fund redemption from the moneys on deposit in the Assessment Area Two-1 Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth

below at a redemption price of 100% of their principal amount plus accrued interest to the date of redemption.

Year	Mandatory Sinking Fund Redemption Amount
*	

*Maturity

The Assessment Area Two-1 Bonds maturing on November 1, 20__ are subject to mandatory sinking fund redemption from the moneys on deposit in the Assessment Area Two-1 Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a redemption price of 100% of their principal amount plus accrued interest to the date of redemption.

Year	Mandatory Sinking Fund Redemption Amount
*	

*Maturity

Upon any redemption of Assessment Area Two-1 Bonds other than in accordance with scheduled mandatory sinking fund redemptions, the District shall cause to be recalculated and delivered to the Trustee revised mandatory sinking fund redemption amounts recalculated so as to amortize the Outstanding principal amount of Assessment Area Two-1 Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Assessment Area Two-1 Bonds. The mandatory sinking fund redemption amounts as so recalculated shall not result in an increase in the aggregate of the mandatory sinking fund redemption amounts for all Assessment Area Two-1 Bonds in any year. In the event of a redemption or purchase occurring less than 45 days prior to a date on which a mandatory sinking fund redemption payment is due, the foregoing recalculation shall not be made to the mandatory sinking fund redemption amounts due in the year in which such redemption or purchase occurs, but shall be made to the mandatory sinking fund redemption amounts for the immediately succeeding and subsequent years.

Assessment Area Two-2 Bonds

The Series 2016A-2 Bonds are not subject to mandatory redemption.

Extraordinary Mandatory Redemption

Assessment Area One Bonds

The Assessment Area One Bonds are subject to extraordinary mandatory redemption prior to maturity by the District in whole or in part, on any date (other than in the case of clause (i) below which extraordinary mandatory redemption in part must occur on a Quarterly Redemption Date), at a Redemption Price equal to 100% of the principal amount of the Assessment Area One Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

(i) from Assessment Area One Prepayment Principal deposited into the Assessment Area One Prepayment Subaccount of the Assessment Area One Bond Redemption Account following the payment in whole or in part of Assessment Area One Special Assessments on any assessable property within [Assessment Area One of] the District in accordance with the provisions of the First Supplemental Indenture.

(ii) from moneys, if any, on deposit in the Assessment Area One Funds, Accounts and Subaccounts in the Funds and Accounts (other than the Assessment Area One Rebate Fund and the Assessment Area One Acquisition and Construction Account) sufficient to pay and redeem all Outstanding Assessment Area One Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the Assessment Area One Indenture.

(iii) upon the Completion Date, from any funds remaining on deposit in the Assessment Area One Acquisition and Construction Account not otherwise reserved to complete the Assessment Area One Project and which have been transferred to the Assessment Area One General Redemption Subaccount of the Assessment Area One Bond Redemption Account.

Assessment Area Two-1 Bonds

The Assessment Area Two-1 Bonds are subject to extraordinary mandatory redemption prior to maturity by the District in whole or in part, on any date (other than in the case of clause (i) below which extraordinary mandatory redemption in part must occur on a Quarterly Redemption Date), at a Redemption Price equal to 100% of the principal amount of the Assessment Area Two-1 Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

(i) from Assessment Area Two-1 Prepayment Principal deposited into the Assessment Area Two-1 Prepayment Subaccount of the Assessment Area Two-1 Bond Redemption Account following the payment in whole or in part of Assessment Area Two-1 Special Assessments on any assessable property within Assessment Area Two of the District in accordance with the provisions of the Second Supplemental Indenture.

(ii) from moneys, if any, on deposit in the Assessment Area Two-1 Funds, Accounts and Subaccounts in the Funds and Accounts (other than the Assessment Area Two-1 Rebate Fund and the Assessment Area Two-1 Acquisition and Construction Account) sufficient to pay and redeem all Outstanding Assessment Area Two-1 Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the Assessment Area Two-1 Indenture.

(iii) upon the Completion Date, from any funds remaining on deposit in the Assessment Area Two-1 Acquisition and Construction Account not otherwise reserved to complete a portion of the Assessment Area Two Project and which have been transferred to the Assessment Area Two-1 General Redemption Subaccount of the Assessment Area Two-1 Bond Redemption Account.

Assessment Area Two-2 Bonds

The Assessment Area Two-2 Bonds are subject to extraordinary mandatory redemption prior to maturity by the District in whole or in part, on any date (other than in the case of clause (i) below which extraordinary mandatory redemption in part must occur on a Quarterly Redemption Date), at a Redemption Price equal to 100% of the principal amount of the Assessment Area Two-2 Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

(i) from Assessment Area Two-2 Prepayment Principal deposited into the Assessment Area Two-2 Prepayment Subaccount of the Assessment Area Two-2 Bond Redemption Account following the payment in whole or in part of Assessment Area Two-2 Special Assessments on any assessable property within Assessment Area Two of the District in accordance with the provisions of the Third Supplemental Indenture.

(ii) from moneys, if any, on deposit in the Assessment Area Two-2 Funds, Accounts and Subaccounts in the Funds and Accounts (other than the Assessment Area Two-2 Rebate Fund and the Assessment Area Two-2 Acquisition and Construction Account) sufficient to pay and redeem all Outstanding Assessment Area Two-2 Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the Assessment Area Two-2 Indenture.

(iii) upon the Completion Date, from any funds remaining on deposit in the Assessment Area Two-2 Acquisition and Construction Account not otherwise reserved to complete a portion of the Assessment Area Two Project and which have been transferred to the Series 2017 General Redemption Subaccount.

EXHIBIT C

BOND COUNSEL'S SUPPLEMENTAL OPINION

January __, 2017

Avalon Groves Community Development District
Lake County, Florida

FMSbonds, Inc.
North Miami Beach, Florida

Re: $_____ Avalon Groves Community Development District Special Assessment Bonds, Series 2017 (Assessment Area One Project) (the "Assessment Area One Bonds"), and$_____ Avalon Groves Community Development District Special Assessment Bonds, Series 2017A-1 (Assessment Area Two Project) (the "Assessment Area Two-1 Bonds"), and $_____ Avalon Groves Community Development District Special Assessment Bonds, Series 2017A-2 (Assessment Area Two Project) (the "Assessment Area Two-2 Bonds" and, together with the Assessment Area One Bonds and the Assessment Area Two-1 Bonds, the "Series 2017 Bonds")

Ladies and Gentlemen:

We have acted as Bond Counsel to the Avalon Groves Community Development District (the "District"), a community development district established and existing pursuant to Chapter 190 of the Florida Statutes, as amended (the "Act"), in connection with the issuance by the District of its $_____ original aggregate principal amount of Avalon Groves Community Development District Special Assessment Bonds, Series 2017 (Assessment Area One Project) (the "Assessment Area One Bonds") and its $_____ original aggregate principal amount of Avalon Groves Community Development District Special Assessment Bonds, Series 2017A-1 (Assessment Area Two Project) (the "Assessment Area Two-1 Bonds") and its $_____ original aggregate principal amount of Avalon Groves Community Development District Special Assessment Bonds, Series 2017A-2 (Assessment Area Two Project) (the "Assessment Area Two-2 Bonds" and, together with the Assessment Area One Bonds and the Assessment Area Two-1 Bonds, the "Series 2017 Bonds"). In such capacity, we have rendered our final approving opinions (the "Opinions") of even date herewith relating to the Series 2017 Bonds. The Assessment Area Two-1 Bonds are secured pursuant to that certain Master Trust Indenture dated as of December 1, 2016 (the "Master Indenture"), as amended and supplemented, with respect to the Assessment Area One Bonds by a First Supplemental Trust Indenture dated as of December 1, 2016 (the "First Supplemental Indenture" and, together with the Master Indenture, the "Assessment Area One Indenture"), and with respect to the Assessment Area Two-1 Bonds by a Second Supplemental Trust Indenture dated as of December 1, 2016 (the "Second Supplemental Indenture" and, together with the Master Indenture, the "Assessment Area Two-1 Indenture"), and with respect to the Assessment Area Two-2 Bonds by a Third Supplemental Trust Indenture dated as of December 1, 2016 (the "Third Supplemental Indenture," together with the Master Indenture, the "Assessment Area Two-2 Indenture") (the Assessment Area One Indenture and the Assessment Area Two-1 Indenture and the Assessment Area Two-2 Indenture being collectively referred to herein as the "Indentures"), each by and between the District and the Trustee.

In connection with the rendering of the Opinions, we have reviewed records of the acts taken by the District in connection with the authorization, sale and issuance of the Series 2017 Bonds, were present

at various meetings and participated in various discussions in connection therewith and have reviewed such other documents, records and other instruments as we deem necessary to deliver this opinion.

The District has entered into a Bond Purchase Contract dated January ___, 2017 (the "Purchase Contract"), for the purchase of the Series 2017 Bonds. Capitalized words used, but not defined, herein shall have the meanings ascribed thereto in the Purchase Contract.

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

1. The sale of the Series 2017 Bonds by the District is not subject to the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), pursuant to the exemption provided in Section 3(a)(2) of the Securities Act.

2. The Indentures are exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

3. The information in the Limited Offering Memoranda under the captions "INTRODUCTION," "DESCRIPTION OF THE SERIES 2017 BONDS," "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2017 BONDS," "and "APPENDIX A: PROPOSED FORMS OF THE INDENTURES" insofar as such statements constitute descriptions of the Series 2017 Bonds and the Indentures, are accurate as to the matters set forth or documents described therein, and the information under the captions "TAX MATTERS" and "AGREEMENT BY THE STATE," insofar as such information purports to describe or summarize certain provisions of the laws of the State of Florida (the "State") and the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), is accurate as to the matters set forth therein.

This letter is furnished by us as Bond Counsel. No attorney-client relationship has existed or exists between our firm and FMSbonds, Inc. (the "Underwriter") in connection with the Series 2017 Bonds or by virtue of this letter. This letter is delivered to the Underwriter solely for its benefit as Underwriter and may not be used, circulated, quoted or otherwise referred to or relied upon by the Underwriter for any other purpose or by any other person other than the addressee hereto. This letter is not intended to, and may not be, relied upon by holders of the Series 2017 Bonds.

Very truly yours,

EXHIBIT D

ISSUER'S COUNSEL'S OPINION

January __, 2017

Avalon Groves Community Development District
Lake County, Florida

FMSbonds, Inc.
North Miami Beach, Florida

Regions Bank
Jacksonville, Florida

Greenberg Traurig, P.A.
West Palm Beach, Florida

GrayRobinson, P.A.
Tampa, Florida

Re: $_____ Avalon Groves Community Development District Special Assessment Bonds, Series 2017 (Assessment Area One Project) (the "Assessment Area One Bonds"), $_____ Avalon Groves Community Development District Special Assessment Bonds, Series 2017A-1 (Assessment Area Two Project) (the "Assessment Area Two-1 Bonds"), $_____ Avalon Groves Community Development District Special Assessment Bonds, Series 2017A-2 (Assessment Area Two Project) (the "Assessment Area Two-2 Bonds" and, together with the Assessment Area One Bonds and the Assessment Area Two-1 Bonds, the "Series 2017 Bonds")

Ladies and Gentlemen:

We have acted as counsel for the Avalon Groves Community Development District, a community development district (the "District") established pursuant to Chapter 190, Florida Statutes (the "Act"), and by ordinance by Ordinance No. 2016-16, enacted by the Board of County Commissioners of Lake County, Florida on April 19, 2016 and effective on April 27, 2016 (the "Ordinance"), in connection with the issuance by the District of the above-described Series 2017 Bonds.

The Series 2017 Bonds are being issued by the District pursuant to the Act, Resolution Nos. 2016-20 and 2017-___ adopted by the Board of Supervisors of the District (the "Board") on April 28, 2016 and December 22, 2016, respectively (collectively, the "Bond Resolution"), and a Master Trust Indenture dated as of December 1, 2016 (the "Master Indenture"), as amended and supplemented, with respect to the Assessment Area One Bonds by a First Supplemental Trust Indenture dated as of January 1, 2017 (the "First Supplemental Indenture" and, together with the Master Indenture, the "Assessment Area One Indenture"), with respect to the Assessment Area Two-1 Bonds by a Second Supplemental Trust Indenture dated as of January 1, 2017 (the "Second Supplemental Indenture" and, together with the Master Indenture, the "Assessment Area Two-1 Indenture"), with respect to the Assessment Area Two-2 Bonds by a Third Supplemental Trust Indenture dated as of January 1, 2017 (the "Third Supplemental Indenture," together with the Master Indenture, the "Assessment Area Two-2 Indenture" and, collectively with the Assessment Area One Indenture and the Assessment Area Two-1 Indenture, the "Indentures"),

each by and between the District and Regions Bank, as trustee (the "Trustee"). The Assessment Area One Special Assessments have been levied by the District on the lands known as Assessment Area One and the Assessment Area Two-1 Special Assessments and the Assessment Area Two-2 Special Assessments have been levied by the District on the lands known as Assessment Area Two pursuant to Resolution Nos. _____, as may be amended from time to time (the "Assessment Resolutions"). Capitalized terms used and not otherwise defined herein shall have the meaning ascribed to them in the Indenture.

The District adopted the Master Assessment Methodology Report dated October 27, 2016 (the "Master Methodology") as supplemented by the [Special Assessment Methodology Report dated _____, 2017] (collectively, the "Assessment Methodology"). The Assessment Methodology sets forth the terms of the Assessment Area One Special Assessments, the Assessment Area Two-1 Special Assessments and the Assessment Area Two-2 Special Assessments securing the Assessment Area One Bonds and the Assessment Area Two-1 Bonds and the Assessment Area Two-2 Bonds, respectively, and adopts a final special assessment roll for the Assessment Area One Special Assessment and the Assessment Area Two-1 Special Assessments and the Assessment Area Two-2 Special Assessments.

In our capacity as counsel to the District, we have examined such documents as we have deemed necessary or appropriate in rendering the opinions set forth below, including, but not limited to (i) the Bond Resolution; (ii) the Assessment Resolutions (which, together with the Bond Resolutions, hereinafter, the "District Resolutions"); (iii) the Indentures; (iv) the Bond Purchase Contract dated _____, 2017 (the "Purchase Contract"); (v) the Continuing Disclosure Agreement dated as of _____, 2017; (vi) the [Completion Agreement (Assessment Area One Project) by and between the District and the Developer dated as of the Closing Date, the Completion Agreement (Assessment Area Two Project) by and between the District and the Developer dated as of the Closing Date (collectively, the "Completion Agreements"), (vii) the Acquisition Agreement by and between the District and the Developer dated as of the Closing Date, (viii) the Collateral Assignment and Assumption of Development and Contract Rights Relating to Assessment Area One, in recordable form, by and between the District and the Developer dated as of the Closing Date and the Collateral Assignment and Assumption of Development and Contract Rights Relating to Assessment Area Two, in recordable form, by and between the District and the Developer dated as of the Closing Date (collectively, the "Collateral Assignments"), (ix) the Agreement Regarding the True-Up and Payment of Series 2017 Special Assessments in recordable form by and between the District and the Developer dated as of the Closing Date (the "True-Up Agreement") and (x) the Declaration of Consent to Jurisdiction of the Avalon Groves Community Development District and to Impose Special Assessments in recordable form by the Developer dated as of the Closing Date (the "Declaration"), and (xi) the Preliminary Limited Offering Memorandum dated _____, 2017 and the final Limited Offering Memorandum dated _____, 2017 (collectively, the "Offering Memoranda"), and such other documents as we have deemed necessary or appropriate in rendering the opinions set forth below. The Indentures, the Purchase Contract, the Continuing Disclosure Agreement, the Completion Agreements, the Acquisition Agreements, the True-Up Agreement, the Collateral Assignments and the Offering Memoranda shall be referred to herein as the "Financing Documents."

In rendering the following opinion, we have reviewed certified proceedings, resolutions and documents, have relied, with your approval, as to factual matters that affect our opinion, solely on our examination of such documents (and we have assumed that all statements made therein are true, complete and accurate as of the effective date hereof), and have made no verification of the facts asserted to be true and correct therein.

In rendering our opinion, we have assumed in good faith (i) the genuineness of the signatures of all persons executing instruments or documents examined or relied upon by us (except for those of the District); (ii) the authenticity of all documents submitted to us as originals; and (iii) the conformity with

the original documents of all documents submitted to us as certified or as photostatic or xerographic copies. In addition, we have relied in good faith upon certificates of public officials as to matters contained therein and upon the certificates of the District as to matters of fact. Any opinion expressed herein as being made "to the best of our knowledge" is based upon our having made due inquiry of the District or our having actual knowledge as a result of our representation of the District in other matters, but not upon our having made an independent investigation. We specifically exclude any opinion as to the applicability or effect of any federal or state laws, rules or regulations relating to taxation (including, but not limited to, the taxation of income).

Based on the foregoing, and on current laws, facts, circumstances, and upon such other information and documents furnished to us and such inquiries as we deem necessary or appropriate, and subject to the qualifications and assumptions set forth in this letter, we are of the opinion that,

1. The District has been established and validly exists as a community development district and independent local unit of special purpose government under applicable Florida law. The Financing Documents and the Series 2017 Bonds have been duly authorized, executed and delivered, and assuming due execution by the other party(s) thereto, if applicable, the Financing Documents and the District Resolutions constitute legal, valid and binding obligations of the District, enforceable in accordance with their respective terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and transfer, and similar law affecting the rights of creditors' generally, and provided that no opinion need be expressed, nor is, as to the availability of equitable remedies). This does not mean that any particular remedy is available or enforceable upon a material default or that every provision of the referenced documents will be upheld or enforced in any or each circumstance by a court; nevertheless, subject to the bankruptcy and the equitable remedies limitations, such unenforceability will not render the Financing Documents invalid as a whole, or substantially interfere with the practical realization of the principal benefits purported to be provided by the Financing Documents.

2. To the best of our knowledge and based solely upon the District Certificate, the Certificate of the District Manager and our service as Registered Agent for the District, there is no action, suit or proceeding at law or in equity by or before any court or public board or body pending or, to our knowledge, threatened against the District: (a) contesting the existence or powers of the Board or the titles of the respective officers of the Board to their respective offices; (b) seeking to restrain or enjoin the issuance, sale, execution or delivery of the Series 2017 Bonds, (c) contesting or affecting, specifically as to the District, the validity or enforceability of the Act or any action of the District related to the authorization for the issuance of the Series 2017 Bonds, the District Resolutions, the Financing Documents or application of the proceeds of the Series 2017 Bonds for the purposes set forth in the Offering Memoranda; (d) specifically contesting the exclusion from federal gross income of interest on the Series 2017 Bonds, or (e) contesting the completeness or accuracy of the Offering Memoranda.

3. The District has duly authorized, executed, and delivered the Offering Memoranda.

4. Based upon our participation in the preparation of the Offering Memoranda as District Counsel, nothing has come to our attention which would lead us to believe that the statements contained in the Offering Memoranda under the captions "INTRODUCTION," "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2017 BONDS," "ENFORCEMENT OF ASSESSMENT COLLECTIONS," "THE DISTRICT" (excluding information contained under the sub-caption, "The District Manager and Other Consultants"), "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS," "AGREEMENT BY THE STATE," "DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS," CONTINUING DISCLOSURE" (as it relates to the District), "LITIGATION – The District," "VALIDATION" and "AUTHORIZATION AND

APPROVAL," contains an untrue statement of a material fact or omits to state any material fact necessary to make the statements, in light of the circumstances under which they were made, not misleading.

5. The District is not, to the best of our knowledge, in any manner material to the issuance of the Series 2017 Bonds, in breach of or default under any applicable provision of the Act or constitutional provision, statute, or administrative regulation of the State or the United States, or, to the best of our knowledge, any applicable judgment or decree, any loan agreement, indenture, bond, note, resolution, agreement, or any other material instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, and to the best of our knowledge, no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a material default or event of default by the District under any such instrument; provided, however, that no opinion is expressed as to compliance with any state or federal tax laws or with any state "Blue Sky" or other securities laws.

6. The execution and delivery of the Series 2017 Bonds, the Financing Documents, and the adoption of the District Resolutions and compliance with the provisions on the District's part contained therein will not conflict with or constitute a breach of or default under any applicable constitutional provision or law, or to the best of our knowledge, under any administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the District or under the terms of any such law, regulation or instrument, except as expressly provided by the Series 2017 Bonds and the Indentures. To the best of our knowledge after due inquiry, the District has taken no action which, with the lapse of time or the giving of notice, or both would constitute a material default or event of default by the District under the Series 2017 Bonds or the Financing Documents.

7. To the best of our knowledge and based solely on a certificate of the District Engineer, all consents, permits or licenses, and all notices to or filings with governmental authorities necessary for the consummation by the District of the transactions described in the Offering Memoranda and contemplated by the Indenture required to be obtained or made, have been obtained or made or there is no reason to believe they will not be obtained or made when required, provided that no opinion is expressed as to the applicability of or compliance with tax laws, any state "Blue Sky" or other securities laws.

8. The District has the right and authority under the Act and other state law to adopt the District Resolutions, to issue the Series 2017 Bonds, and to levy the Assessment Area One Special Assessments and the Assessment Area Two-1 Special Assessments and the Assessment Area Two-2 Special Assessments (collectively, the "Series 2017 Special Assessments") that will secure the Assessment Area One Bonds and the Assessment Area Two-1 Bonds and the Assessment Area Two-2 Bonds, respectively, and has duly adopted the District Resolutions.

9. All proceedings undertaken by the District with respect to the Series 2017 Special Assessments were undertaken in accordance with Florida law, and the District has taken all necessary action as of the date hereof to levy and impose the Series 2017 Special Assessments. The Series 2017 Special Assessments constitute legal, valid, binding and enforceable first liens upon the property against which such Series 2017 Special Assessments are assessed, co-equal with the lien of all state, county, district and municipal taxes and assessments, and superior in dignity to all other liens, titles and claims, until paid.

10. The District has the full power and authority to own and operate the Assessment Area One Project and the Assessment Area Two Project.

11. All conditions prescribed in the Indentures and the Purchase Contract to be performed by the District as precedent to the issuance of the Series 2017 Bonds have been fulfilled.

We do not express any opinion herein concerning any laws other than the laws of the State of Florida and the federal laws of the United States of America. To the extent that the opinions expressed herein relate to or are dependent upon the determination that the interest on the Series 2017 Bonds is excluded from gross income of the owners of the Series 2017 Bonds for federal income tax purposes, we understand that you are relying upon the opinions of Greenberg Traurig, P.A. delivered on the date hereof, and no opinion is expressed herein as to such matters.

This opinion is rendered solely in connection with the transaction to which this opinion relates, as contemplated by the Indentures. This opinion may be relied upon by you only in connection with this transaction and may not be relied upon by any other person or entity (regardless of whether such other person or entity is related or affiliated with you), nor used for any other purpose or published in whole or part, in each instance, without, in each instance, our prior written consent.

Sincerely,

Hopping Green & Sams P.A.

EXHIBIT E

DEVELOPER'S COUNSEL'S OPINION

January __, 2017

Avalon Groves Community Development District
Lake County, Florida

FMSbonds, Inc.
North Miami Beach, Florida

Regions Bank
Jacksonville, Florida

Re: $_____ Avalon Groves Community Development District Special Assessment Bonds, Series 2017 (Assessment Area One Project); and

$_____ Avalon Groves Community Development District Special Assessment Bonds, Series 2017A-1 (Assessment Area Two Project); and

$_____ Avalon Groves Community Development District Special Assessment Bonds, Series 2017A-2 (Assessment Area Two Project)

Ladies and Gentlemen:

We are counsel to VK Avalon Groves, a Florida limited liability company (the "**Developer**") in connection with the issuance by Avalon Groves Community Development District (the "**District**") of its Special Assessment Bonds, Series 2017 (Assessment Area One Project) in the amount of $_____ (the "**Assessment Area One Bonds**"), and its Special Assessment Bonds, Series 2017A-1 (Assessment Area Two Project) in the amount of $_____ (the "**Assessment Area Two-1 Bonds**"), and its Special Assessment Bonds, Series 2017A-2 (Assessment Area Two Project) in the amount of $_____ (the "**Assessment Area Two-2 Bonds**"; and together with the Assessment Area One Bonds and the Assessment Area Two-1 Bonds, the "**Series 2017 Bonds**"), as described in the District's Limited Offering Memorandum dated _____, 2017 (together with all Appendices attached thereto, the "**Limited Offering Memorandum**"). This opinion letter is furnished to you at your request and is given with the consent of the Developer.

Unless otherwise expressly defined herein, capitalized terms used herein shall have the respective meanings assigned to them in the Limited Offering Memorandum.

To the extent applicable, this opinion letter has been prepared and is to be construed in accordance with the Report on Third-Party Legal Opinion Customary Practice in Florida, dated December 3, 2011 (the "**Report**"). The Report is incorporated by reference into this opinion letter.

In our capacity as counsel to the Developer, we have relied, as to factual matters that affect our opinions, solely on the representations of the Developer, their engineers, on facts and information that have been brought to our attention in connection with our participation in the transaction referenced in this opinion, and on our examination of the following documents (and we have assumed that all statements made therein are true, complete and accurate as of the effective date hereof), we have made no independent

investigation or verification of the facts asserted to be true and correct therein and no inference as to our knowledge of the existence of such facts should be drawn from the fact of our representation of the Developer:

1. The Limited Offering Memorandum.

2. Articles of Organization of the Developer, filed with the Florida Department of State on _____.

3. Certificate of the Florida Department of State, dated January ___, 2017, regarding the active status of the Developer.

4. Operating Agreement of the Developer, dated as of _____.

5. [insert any authorizing resolutions.

The Acquisition Agreement, the Collateral Assignments, the Completion Agreements, the True-Up Agreement, the Continuing Disclosure Agreement, the Developer Certificate, and the Declaration of Consent shall be collectively referred to herein as the "**Developer Agreements**."

Except to the extent expressly set forth herein, we have not undertaken any independent investigation to determine the existence or absence of any such facts, and no inference as to our knowledge of the existence of such facts should be drawn from the fact of our representation of the Developer. In rendering this opinion, we have assumed the genuineness of all signatures (other than those of the Developer), the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified, conformed or photostatic copies, and the legal capacity of all natural persons.

Based on the foregoing, and subject to the qualifications and limitations stated or referenced herein, we are of the opinion that:

1. The Developer is a limited liability company, duly organized and lawfully existing under the laws of the State of Florida.

2. The Developer has all requisite power and authority to conduct its business and to undertake the development and sale of the lands in the District owed by it as described in the Limited Offering Memorandum under the Captions "THE CAPITAL IMPROVEMENT PLAN AND THE PROJECTS" and "THE DEVELOPMENT" and to enter into the Developer Agreements.

3. Subject to the limitations contained in the next paragraph and elsewhere herein, on the date of the Closing, assuming the due authorization, execution and delivery of such instruments by the other parties thereto and their authority to perform such instruments, the Developer Agreements to which the Developer is a party constitute legal, valid and binding obligations of the Developer that is/are a party thereto, enforceable in accordance with their respective terms (except to the extent that such enforceability may be limited by bankruptcy, insolvency, reorganization and similar laws affecting creditors, rights generally and general principles of equity).

The foregoing opinion concerning the validity, binding effect, and enforceability of the Developer Agreements means that, (a) each of the Developer Agreements constitutes an effective contract under applicable law; (b) no Developer Agreement is invalid in its entirety because of a specific statutory prohibition or public policy or is subject in its entirety to contractual defenses; and (c) subject to the

remainder of this paragraph, a remedy is available if the Developer which is a party thereto, is/are in material default under the Developer Agreements. These opinions do not mean that (a) any particular remedy is available upon a material default or (b) every provision of the Developer Agreements will be upheld or enforced in any or each circumstance by a court. Furthermore, the validity, binding effect and enforceability of the Developer Agreements may be limited or otherwise affected by (a) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar statutes, rules, regulations or other laws affecting the enforcement of creditors' rights and remedies generally and (b) the unavailability of, or limitation on the availability of, a particular right or remedy (whether in a proceeding in equity or at law) because of an equitable principle or a requirement as to commercial reasonableness, conscionability or good faith.

4. To our knowledge, the information contained in the Limited Offering Memorandum with respect to the Developer and the lands in the District under the Subcaptions "General" and "Builder Contracts" under the Caption "THE DEVELOPMENT" and under the Caption "THE DEVELOPER" accurately and fairly presents the information purported to be shown and to our knowledge contains no untrue statement of a material fact or omits to state any material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading as of the date of the Limited Offering Memorandum and as of the date hereof.

5. To our knowledge, the execution, delivery and performance of the Developer Agreements by (a) the Developer does not (i) violate the Articles of Organization of the Developer or the Developer's Operating Agreement; (ii) conflict with or constitute on the part of the Developer, a breach or violation of the terms and provisions of, or constitute a default under any existing agreement or instrument, to which the Developer is subject or by which the Developer's properties are or may be bound; or (iii) conflict with or constitute on the part of the Developer, a breach or violation of the terms and provisions of, or constitute a default under any existing constitution, laws, court or administrative rule or regulations known to us, to which the Developer is subject, or any decree, order or judgment known to us to which the Developer is a party or by which the Developer is bound in force and effect on the date hereof, which would have a material adverse effect on the Series 2017 Bonds or the Development.

6. To our knowledge, the levy of the Series 2017 Special Assessments on the lands in the District will not conflict with or constitute a breach of or default under any agreement, indenture or other instrument to which the Developer are parties or to which any of their property or assets is subject.

7. To our knowledge, without a docket search, there is no litigation pending or, to our knowledge, threatened which would prevent or prohibit the development of the Development in accordance with the description thereof in the Limited Offering Memorandum or the development of the Projects as described in the Limited Offering Memorandum and the Engineers' Report annexed thereto as Appendix C.

8. To our knowledge, without a docket search, there is no litigation pending or, to our knowledge, threatened against the Developer which may result in the inability of the Developer to develop the portion of the Development owned by it in accordance with the description thereof in the Limited Offering Memorandum or to fulfill their obligations, as applicable, under the Developer Agreements.

9. To our knowledge, without a docket search, the Developer have not made an assignment for the benefit of creditors, filed a petition in bankruptcy, petitioned or applied to any tribunal for the appointment of a custodian, receiver or any trustee or commenced any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute or any jurisdiction. To our knowledge, the Developer has not indicated their consent to, or approval of, or failed

to object timely to, any petition in bankruptcy, application or proceeding or order for relief or the appointment of a custodian, receiver or any trustee.

10. To our knowledge, the Developer is not in default under any mortgage, trust indenture, lease or other instrument to which they or any of its assets is subject, which default would have a material adverse effect on the Series 2017 Bonds or the Development.

We are licensed to practice law in the State of Florida. Notwithstanding anything to the contrary herein, no opinion is given with respect to any law other than the substantive laws of the State of Florida and the United States of America in force and effect on the date hereof (except for the substantive laws related to taxation or to the exclusion of interest on the Series 2017 Bonds from gross income for federal income tax purposes, or to the offer or sale of securities, for which we express no opinion) and we assume no responsibility, nor do we express an opinion, as to the applicability or effect of the laws of any other jurisdiction. Nothing herein shall be construed as an opinion regarding the possible applicability of state securities or "blue sky" laws, as to which no opinion is expressed

The opinions herein are rendered as of the date hereof, and we undertake no obligation to advise you of any change in any matter set forth herein.

This opinion is delivered to you at the request of the Developer and may be relied on by you in connection with the Developer Agreements and the transactions contemplated therein, and this opinion may not be used or relied upon by you or any other persons or entities for any purpose whatsoever, without our prior written consent.

Sincerely,

SHUFFIELD, LOWMAN & WILSON, P.A.

EXHIBIT F

CERTIFICATE OF DEVELOPER

VK AVALON GROVE, a Florida limited liability company (the "Developer"), DOES HEREBY CERTIFY, that:

1. This Certificate of the Developer is furnished pursuant to Section 8(c)(10) of the Bond Purchase Contract dated _____, 2017 (the "Purchase Contract") between Avalon Groves Community Development District (the "District") and FMSbonds, Inc. (the "Underwriter") relating to the sale by the District of its $_____ original aggregate principal amount of Special Assessment Bonds, Series 2017 (Assessment Area One Project) and its $_____ original aggregate principal amount of Special Assessment Bonds, Series 2017A-1 (Assessment Area Two Project) and its $_____ original aggregate principal amount of Special Assessment Bonds, Series 2017A-2 (Assessment Area Two Project) (collectively, the "Series 2017 Bonds"). Capitalized terms used, but not defined, herein shall have the meaning assigned thereto in the Purchase Contract.

2. The Developer is a limited liability company organized and existing under the laws of the State of Florida.

3. Representatives of the Developer have provided information to Avalon Groves Community Development District (the "District") to be used in connection with the offering by the District of its Bonds, pursuant to a Preliminary Limited Offering Memorandum dated January ___, 2017 and the Limited Offering Memorandum, dated January __, 2017, including the appendices attached thereto (collectively, the "Limited Offering Memoranda").

4. The Declaration of Consent to Jurisdiction of Avalon Groves Community Development District and to Imposition of Special Assessments dated January __, 2017 executed by the Developer and to be recorded in the public records of Lake County, Florida (the "Declaration of Consent"), constitutes a valid and binding obligation of the Developer, enforceable against the Developer in accordance with its terms.

5. The Developer has reviewed and approved the information contained in the Limited Offering Memoranda under the captions "THE CAPITAL IMPROVEMENT PLAN AND THE PROJECTS," "THE DEVELOPMENT," "THE DEVELOPER," "BONDOWNERS' RISKS" (as it relates to the Developer and the Development), "LITIGATION – The Developer" and "CONTINUING DISCLOSURE" (as it relates to the Developer) and warrants and represents that such information did not as of their respective dates, and does not as of the date hereof, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. In addition, the Developer is not aware of any other information in the Limited Offering Memoranda that contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

6. The Developer represents and warrants that it has complied with and will continue to comply with Chapter 190.048, Florida Statutes, as amended.

7. As of the date hereof, there has been no material adverse change in the business, properties, assets or financial condition of the Developer which has not been disclosed in the Limited Offering Memoranda.

8. The Developer hereby represents that it owns all of the land in the District that will be subject to the Assessment Area One Special Assessments, the Assessment Area Two-1 Special Assessments and the Assessment Area Two-2 Special Assessments, and hereby consents to the levy of the Assessment Area One Special Assessments, the Assessment Area Two-1 Special Assessments and the Assessment Area Two-2 Special Assessments on the lands in the District owned by the Developer. The levy of the Assessment Area One Special Assessments, the Assessment Area Two-1 Special Assessments and the Assessment Area Two-2 Special Assessments on the Lands in the District will not conflict with or constitute a breach of or default under any agreement, mortgage, lien or other instrument to which the Developer is a party or to which its property or assets are subject.

9. The Developer has not made an assignment for the benefit of creditors, filed a petition in bankruptcy, petitioned or applied to any tribunal for the appointment of a custodian, receiver or any trustee or commenced any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction. The Developer has not indicated its consent to, or approval of, or failed to object timely to, any petition in bankruptcy, application or proceeding or order for relief or the appointment of a custodian, receiver or any trustee.

10. The Developer acknowledges that the Series 2017 Bonds have the debt service requirements set forth in the Limited Offering Memorandum and that the Assessment Area One Special Assessments and the Assessment Area Two-1 Special Assessments and the Assessment Area Two-2 Special Assessments will be levied by the District at times, and in amounts sufficient, to enable the District to pay debt service on the Series 2017 Bonds when due.

11. To the best of our knowledge, the Developer is not in default under any other resolution, ordinance, agreement or indenture, mortgage, lease, deed of trust, note or other instrument to which the Developer is subject or by which the Developer or its properties are or may be bound, which would have a material adverse effect on the consummation of the transactions contemplated by the Financing Documents, Ancillary Documents or on the Development and is current in the payment of all ad valorem, federal and state taxes associated with the Development.

12. Except as otherwise disclosed in the Limited Offering Memoranda, there is no action, suit or proceedings at law or in equity by or before any court or public board or body pending or, solely to the best of our knowledge, threatened against the Developer (or any basis therefor): (a) seeking to restrain or enjoin the execution or delivery of Financing Documents, Declaration of Consent and/or Ancillary Documents to which the Developer is a party, (b) contesting or affecting the validity or enforceability of the Financing Documents, Declaration of Consent and/or Ancillary Documents, or any and all such other agreements or documents as may be required to be executed, or the transactions contemplated thereunder, (c) contesting or affecting the establishment or existence of the Developer or of the Developer's business, assets, property or conditions, financial or otherwise, or contesting or affecting any of the powers of the Developer, or (d) that would have a material and adverse effect upon the ability of the Developer to (i) complete the development of lands within the District as described in the Limited Offering Memoranda, (ii) pay the Assessment Area One Special Assessments, the Assessment Area Two-1 Special Assessments or the Assessment Area Two-2 Special Assessments, or (iii) perform its various obligations as described in the Limited Offering Memoranda.

13. To the best of our knowledge after due inquiry, the Developer is in compliance in all material respects with all provisions of applicable law in all material matters relating to the Development as described in the Limited Offering Memoranda, including applying for all necessary permits. Except as otherwise described in the Limited Offering Memoranda, (a) the Development is zoned and properly designated for its intended use; (b) all government permits other than certain permits, which permits are expected to be received as needed, have been received; (c) the Developer is not aware of any default of

any zoning condition, permit or development agreement which would adversely affect the Developer's ability to complete or cause the completion of development of the Development as described in the Limited Offering Memoranda and all appendices thereto; and (d) there is no reason to believe that any permits, consents and licenses required to complete the Development as described in the Offering Memoranda will not be obtained as required.

14. The Developer acknowledges that it will have no rights under Chapter 170, Florida Statutes, as amended, to prepay, without interest, the Assessment Area One Special Assessments, the Assessment Area Two-1 Special Assessments or the Assessment Area Two-2 Special Assessments imposed on lands in the District owned by the Developer within thirty (30) days following completion of the Projects and acceptance thereof by the District.

15. [The Developer has never entered into any continuing disclosure obligations pursuant to SEC Rule 15c2-12.]

16. The Developer is not in default of any obligations to pay special assessments and the Developer is not insolvent.

Dated: _____, 2017.

VK AVALON GROVE,
a Florida limited liability company

By: _____
Name: _____
Title: _____

APPENDIX G

CERTIFICATE OF ENGINEER

HEIDT DESIGN (the "Engineers"), DOES HEREBY CERTIFY, that:

1. This certificate is furnished pursuant to Section 8(c)(17) of the Bond Purchase Contract dated _____, 2017 (the "Purchase Contract"), by and between Avalon Groves Community Development District (the "District") and FMSbonds, Inc. with respect to the $_____ Avalon Groves Community Development District Special Assessment Bonds, Series 2017 (Assessment Area One Project) and the $_____ Avalon Groves Community Development District Special Assessment Bonds, Series 2017A-1 (Assessment Area Two Project) and the $_____ Avalon Groves Community Development District Special Assessment Bonds, Series 2017A-2 (Assessment Area Two Project) (collectively, the "Bonds"). Capitalized terms used, but not defined, herein shall have the meaning assigned thereto in the Purchase Contract or the Preliminary Limited Offering Memorandum dated _____, 2017 and the Limited Offering Memorandum, dated _____, 2017, including the appendices attached thereto, relating to the Bonds (collectively, the "Limited Offering Memoranda"), as applicable.

2. The Engineers have been retained by the act as consulting engineers.

3. The plans and specifications for the improvements constituting the Projects (as described in the Limited Offering Memoranda) were approved by all regulatory bodies required to approve them. All environmental and other regulatory permits or approvals required in connection with the construction of the Projects were obtained or are expected to be obtained in the ordinary course.

4. The Engineers prepared the report entitled "Avalon Groves Community Development District Preliminary Engineer's Report" dated October 11, 2016 (the "Report"). The Report was prepared in accordance with generally accepted engineering principles. The Report is included as "APPENDIX C: ENGINEER'S REPORT" to the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and a description of the Report and certain other information relating to the Projects are included in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum under the captions "THE CAPITAL IMPROVEMENT PLAN AND THE PROJECTS" and "THE DEVELOPMENT." The Report and said information are true and complete in all material respects, contain no untrue statement of a material fact, and do not omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

5. The Engineers hereby consent to the inclusion of the Report as "APPENDIX C: ENGINEER'S REPORT" to the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and to the references to the Engineers in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum.

6. The improvements constituting the Projects are or will be, as applicable, constructed in sound workmanlike manner and in accordance with industry standards.

7. The price being paid by the District to the Developer for acquisition of the improvements included within the each Project does not exceed the lesser of the cost of such Project or the fair market value of the assets acquired by the District.

8. To the best of our knowledge, after due inquiry, the Developer is in compliance in all material respects with all provisions of applicable law in all material matters relating to the Developer and the Development as described in the Limited Offering Memoranda. Except as otherwise described in the Limited Offering Memoranda, (a) all government permits required in connection with the construction of the Development as described in the Limited Offering Memoranda have been received; (b) we are not aware of the any default of any zoning condition, land use permit or development agreement which would adversely affect the ability to complete development of the Development as described in the Limited Offering Memoranda and all appendices thereto; and (c) we have no actual knowledge and are not otherwise aware of any reason to believe that any permits, consents and licenses required to complete the Development as described in the Limited Offering Memoranda will not be obtained in due course as required by the Developer, or any other person or entity, necessary for the development of the Development as described in the Limited Offering Memoranda and all appendices thereto.

9. There is adequate water and sewer service capacity to serve the Development within the District.

Date: _____, 2017

HEIDT DESIGN

By: _____
Print Name:_____
Title:_____

EXHIBIT H

CERTIFICATE OF DISTRICT MANAGER AND METHODOLOGY CONSULTANT

DEVELOPMENT PLANNING & FINANCING GROUP, INC. (the "DPFG"), DOES HEREBY CERTIFY:

1. This certificate is furnished pursuant to Section 8(c)(18) of the Bond Purchase Contract dated January __, 2017 (the "Purchase Contract"), by and between Avalon Groves Community Development District (the "District") and FMSbonds, Inc. with respect to the $_____ Avalon Groves Community Development District Special Assessment Bonds, Series 2017 (Assessment Area One Project) and the $_____ Avalon Groves Community Development District Special Assessment Bonds, Series 2017A-1 (Assessment Area Two Project) and the $_____ Avalon Groves Community Development District Special Assessment Bonds, Series 2017A-2 (Assessment Area Two Project) (collectively, the "Series 2017 Bonds"). Capitalized terms used, but not defined, herein shall have the meaning assigned thereto in the Purchase Contract or the Limited Offering Memoranda relating to the Series 2017 Bonds, as applicable.

2. DPFG has acted as district manager and methodology consultant to the Avalon Groves Community Development District (the "District") in connection with the sale and issuance by the District of its Series 2017 Bonds and has participated in the preparation of the Preliminary Limited Offering Memorandum dated January ___, 2017 and the Limited Offering Memorandum, dated January __, 2017, including the appendices attached thereto (collectively, the "Limited Offering Memoranda").

3. In connection with the issuance of the Series 2017 Bonds, we have been retained by the District to prepare the Master Assessment Methodology Report dated October 27, 2016 (the "Master Methodology") as supplemented by the [Special Assessment Methodology Report dated January __, 2017] (collectively, the "Assessment Methodology"), which Assessment Methodology has been included as an appendix to the Limited Offering Memoranda. We hereby consent to the use of such Assessment Methodology in the Limited Offering Memoranda and consent to the references to us therein.

4. As District Manager, nothing has come to our attention that would lead us to believe that the Limited Offering Memoranda, as they relate to the District, the Projects, or any information provided by us, and the Assessment Methodology, as of their respective dates and as of this date, contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to be stated therein in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

5. The information set forth in the Limited Offering Memoranda under the subcaptions "THE DISTRICT," "THE CAPITAL IMPROVEMENT PLAN AND THE PROJECTS," "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS," "LITIGATION – The District," "CONTINGENT FEES," "EXPERTS," "FINANCIAL INFORMATION," "DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS," "CONTINUING DISCLOSURE," and in "APPENDIX D: ASSESSMENT METHODOLOGY" and "APPENDIX E: DISTRICT'S FINANCIAL STATEMENTS" did not as of the respective dates of the Limited Offering Memoranda and does not as of the date hereof contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

6. To the best of our knowledge, there has been no change which would materially adversely affect the assumptions made or the conclusions reached in the Assessment Methodology and

the considerations and assumptions used in compiling the Assessment Methodology are reasonable. The Assessment Methodology and the assessment methodology set forth therein were prepared in accordance with all applicable provisions of Florida law.

7. As District Manager for the District, we are not aware of any litigation pending or, to the best of our knowledge, threatened against the District restraining or enjoining the issuance, sale, execution or delivery of the Series 2017 Bonds, or in any way contesting or affecting the validity of the Series 2017 Bonds or any proceedings of the District taken with respect to the issuance or sale thereof, or the pledge or application of any moneys or security provided for the payment of the Series 2017 Bonds, or the existence or powers of the District.

7. The Assessment Area One Special Assessments, the Assessment Area Two-1 Special Assessments and the Assessment Area Two-2 Special Assessments, as initially levied, and as may be reallocated from time to time as permitted by resolutions adopted by the District with respect to the Assessment Area One Special Assessments, the Assessment Area Two-1 Special Assessments and the Assessment Area Two-2 Special Assessments, are sufficient to enable the District to pay the debt service on the Series 2017 Bonds through the final maturity thereof.

Dated: January __, 2017.

DEVELOPMENT PLANNING & FINANCING GROUP, INC., a Florida limited liability company

By: _____
Name: _____
Title: _____

This Preliminary Limited Offering Memorandum and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Limited Offering Memorandum constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Series 2017 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or exemption under the securities laws of such jurisdiction. The District has deemed this Preliminary Limited Offering Memorandum "final," except for permitted omissions, within the contemplation of Rule 15c2-12 promulgated by the Securities and Exchange Commission.

DRAFT-1
GrayRobinson, P.A.
December 9, 2016

PRELIMINARY LIMITED OFFERING MEMORANDUM DATED JANUARY ___, 2017

NEW ISSUES - BOOK-ENTRY ONLY
LIMITED OFFERING

NOT RATED

In the opinion of Greenberg Traurig, P.A., Bond Counsel, under existing statutes, regulations, rulings and court decisions and assuming continuing compliance with certain covenants and the accuracy of certain representations, (a) interest on the Series 2017 Bonds (as hereinafter defined) will be excludable from gross income for federal income tax purposes, (b) interest on the Series 2017 Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, (c) interest on the Series 2017 Bonds will be taken into account in determining adjusted current earnings for purposes of computing the federal alternative minimum tax imposed on certain corporations, and (d) the Series 2017 Bonds and the interest thereon will not be subject to taxation under the laws of the State of Florida, except estate taxes and taxes under Chapter 220, Florida Statutes, as amended, on interest, income or profits on debt obligations owned by corporations as defined therein. For a more complete discussion such opinions of Bond Counsel, see "TAX MATTERS" herein.

AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT
(LAKE COUNTY, FLORIDA)

$_____*	$_____*	$_____*
Special Assessment Bonds, Series 2017 (Assessment Area One Project)	**Special Assessment Bonds, Series 2017A-1 (Assessment Area Two Project)**	**Special Assessment Bonds, Series 2017A-2 (Assessment Area Two Project)**

Dated: Date of Delivery **Due: As shown below**

The Avalon Groves Community Development District Special Assessment Bonds, Series 2017 (Assessment Area One Project) (the "Assessment Area One Bonds"), the Avalon Groves Community Development District Special Assessment Bonds, Series 2017A-1 (Assessment Area Two Project) (the "Assessment Area Two-1 Bonds"), and the Avalon Groves Community Development District Special Assessment Bonds, Series 2017A-2 (Assessment Area Two Project) (the "Assessment Area Two-2 Bonds" and, together with the Assessment Area One Bonds and the Assessment Area Two-1 Bonds, the "Series 2017 Bonds") are being issued by the Avalon Groves Community Development District (the "District" or "Issuer") only in fully registered form, without coupons, in denominations of $5,000 and any integral multiple thereof.

The District is a local unit of special purpose government of the State of Florida, created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), and by Ordinance No. 2016-16 enacted by the Board of County Commissioners of Lake County, Florida (the "County") on April 19, 2016 and effective on April 27, 2016. The District was created for the purpose of delivering certain community development services and facilities for the benefit of District Lands (as hereinafter defined), and has previously determined to undertake in one or more stages, the acquisition and/or construction of public improvements and community facilities as set forth in the Act for the special benefit of certain District Lands.

The Series 2017 Bonds will bear interest at the fixed rates set forth below, calculated on the basis of a 360-day year comprised of twelve 30 day months, payable semi-annually on each May 1 and November 1, commencing May 1, 2017. The Series 2017 Bonds, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC") of New York, New York. Purchases of beneficial interests in the Series 2017 Bonds will be made only in book-entry form. Accordingly, principal of and interest on the Series 2017 Bonds will be paid from sources described below by Regions Bank, as trustee (the "Trustee") directly to DTC as the registered owner thereof. Disbursements of such payments to the DTC Participants (as hereinafter defined) is the responsibility of DTC and disbursements of such payments to the beneficial owners is the responsibility of the DTC Participants and the Indirect Participants (as hereinafter defined), as more fully described herein. Any purchaser of a beneficial interest in a Series 2017 Bond must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive payment of the principal of and interest on such Series 2017 Bond. See "DESCRIPTION OF THE SERIES 2017 BONDS - Book-Entry Only System" herein.

The Series 2017 Bonds are being issued by the District pursuant to the Act, Resolution Nos. 2016-21 and 2017-___ adopted by the Board of Supervisors of the District (the "Board") on April 28, 2016 and December 22, 2016, respectively (collectively, the "Bond Resolution"), and a Master Trust Indenture dated as of January 1, 2017 (the "Master Indenture"), as amended and supplemented, with respect to the Assessment Area One Bonds, by a First Supplemental Trust Indenture dated as of January 1, 2017 (the "First Supplemental Indenture" and, together with the Master Indenture, the "Assessment Area One Indenture") and with respect to the Assessment Area Two-1 Bonds, by a Second Supplemental Trust Indenture dated as of January 1, 2017 (the "Second Supplemental Indenture" and, together with the Master Indenture, the "Assessment Area Two-1 Indenture") and with respect to the Assessment Area Two-2 Bonds, by a Third Supplemental Trust Indenture dated as of January 1, 2017 (the "Third Supplemental Indenture," together with the Master Indenture, the "Assessment Area Two-2 Indenture") (the Assessment Area One Indenture and Assessment Area Two-1 Indenture and the Assessment Area Two-2 Indenture being collectively referred to herein as the "Indentures"), each by and between the District and the Trustee. Capitalized terms not defined herein shall have the meanings assigned to them in the respective Indentures. See "APPENDIX A: PROPOSED FORMS OF THE INDENTURES" herein.

Proceeds of the Assessment Area One Bonds will be used to provide funds (i) the Costs of acquiring or constructing all or a portion of the Assessment Area One Project, (ii) the funding of the Assessment Area One Reserve Account, (iii) pay Capitalized Interest on Assessment Area One Bonds through _____, and (iv) the payment of the costs of issuance of the Assessment Area One Bonds. See "PURPOSE OF THE SERIES 2017 BONDS" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

Proceeds of the Assessment Area Two-1 Bonds will be used to provide funds (i) the Costs of acquiring and/or constructing a portion of the Assessment Area Two Project, (ii) funding Capitalized Interest through at least November 1, 20__, (iii) the funding of the Assessment Area Two-1 Reserve Account, and (iv) the payment of the costs of issuance of the Assessment Area Two-1 Bonds. See "PURPOSE OF THE SERIES 2017 BONDS" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

Proceeds of the Assessment Area Two-2 Bonds will be used to provide funds for (i) the Costs of acquiring and/or constructing a portion of the Assessment Area Two Project, (ii) funding Capitalized Interest through at least November 1, 20__, (iii) the funding of the Assessment Area Two-2 Reserve Account, and (iv) the payment of the costs of issuance of the Assessment Area Two-2 Bonds. See "PURPOSE OF THE SERIES 2017 BONDS" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

While the Assessment Area One Bonds, the Assessment Area Two-1 Bonds and Assessment Area Two-2 Bonds are being issued simultaneously, each Series of Series 2017 Bonds is separately secured under a separate supplemental indenture as previously noted herein.

The Assessment Area One Bonds will be secured by a pledge of the Assessment Area One Pledged Revenues. "Assessment Area One Pledged Revenues" shall mean (a) all revenues received by the District from the Assessment Area One Special Assessments levied and collected on the assessable lands within Assessment Area One of the District, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Assessment Area One Special Assessments or from the issuance and sale of tax certificates with respect to such Assessment Area One Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Assessment Area One Indenture created and established with respect to or for the benefit of the Assessment Area One Bonds; provided, however, that Assessment Area One Pledged Revenues shall not include (A) any moneys transferred to the Assessment Area One Rebate Fund and investment earnings thereon, (B) moneys on deposit in the Assessment Area One Costs of Issuance Account of the Acquisition and Construction Fund; and (C) "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance 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), (B) and (C) of this proviso). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2017 BONDS" herein.

The Assessment Area Two-1 Bonds will be secured by a pledge of the Assessment Area Two-1 Pledged Revenues. "Assessment Area Two-1 Pledged Revenues" shall mean (a) all revenues received by the District from the Assessment Area Two-1 Special Assessments levied and collected on the assessable lands within Assessment Area Two of the District, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Assessment Area Two-1 Special Assessments or from the issuance and sale of tax certificates with respect to such Assessment Area Two-1 Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Assessment Area Two-1 Indenture created and established with respect to or for the benefit of the Assessment Area Two-1 Bonds; provided, however, that Assessment Area Two-1 Pledged Revenues shall not include (A) any moneys transferred to the Assessment Area Two-1 Rebate Fund and investment earnings thereon, (B) moneys on deposit in the Assessment Area Two-1 Costs of Issuance Account of the Acquisition and Construction Fund, and (C) "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance 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), (B) and (C) of this proviso). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2017 BONDS" herein.

The Assessment Area Two-2 Bonds will be secured by a pledge of the Assessment Area Two-2 Pledged Revenues. "Assessment Area Two-2 Pledged Revenues" shall mean (a) all revenues received by the District from the Assessment Area Two-2 Special Assessments levied and collected on the assessable lands within Assessment Area Two of the District, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Assessment Area Two-2 Special Assessments or from the issuance and sale of tax certificates with respect to such Assessment Area Two-2 Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Assessment Area Two-2 Indenture created and established with respect to or for the benefit of the Assessment Area Two-2 Bonds; provided, however, that Assessment Area Two-2 Pledged Revenues shall not include (A) any moneys transferred to the Assessment Area Two-2 Rebate Fund and investment earnings thereon, (B) moneys on deposit in the Assessment Area Two-2 Costs of Issuance Account of the Assessment Area Two-2 Acquisition and Construction Fund, and (C) "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance 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), (B) and (C) of this proviso). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2017 BONDS" herein.

The Assessment Area One Bonds and the Assessment Area Two-1 Bonds are subject to optional, mandatory sinking fund and extraordinary mandatory redemption at the times, in the amounts and at the redemption prices as more fully described herein. The Assessment Area Two-2 Bonds are subject to extraordinary mandatory redemption at the times, in the amounts and at the redemption prices as more fully described herein. The Assessment Area Two-2 Bonds are <u>not</u> subject to optional or mandatory redemption. See "DESCRIPTION OF THE SERIES 2017 BONDS – Redemption Provisions" herein.

THE ASSESSMENT AREA ONE BONDS, THE ASSESSMENT AREA TWO-1 BONDS AND THE ASSESSMENT AREA TWO-2 BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY OUT OF THE ASSESSMENT AREA ONE PLEDGED REVENUES, THE ASSESSMENT AREA TWO-1 PLEDGED REVENUES AND THE ASSESSMENT AREA TWO-2 PLEDGED REVENUES, RESPECTIVELY, PLEDGED THEREFOR UNDER THE RESPECTIVE INDENTURES AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE DISTRICT, THE COUNTY, THE STATE OF FLORIDA (THE "STATE"), OR ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE SERIES 2017 BONDS, EXCEPT THAT THE DISTRICT IS OBLIGATED UNDER THE RESPECTIVE INDENTURES TO LEVY AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, THE ASSESSMENT AREA ONE SPECIAL ASSESSMENTS, THE ASSESSMENT AREA TWO-1 SPECIAL ASSESSMENTS AND THE ASSESSMENT AREA TWO-2 SPECIAL ASSESSMENTS TO SECURE AND PAY THE ASSESSMENT AREA ONE BONDS, THE ASSESSMENT AREA TWO-1 BONDS AND

THE ASSESSMENT AREA TWO-2 BONDS, RESPECTIVELY. THE SERIES 2017 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT, THE COUNTY, THE STATE, OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

The Series 2017 Bonds involve a degree of risk (see "BONDOWNERS' RISKS" herein) and are not suitable for all investors (see "SUITABILITY FOR INVESTMENT" herein). The Underwriter named below is limiting this offering to "Accredited Investors" within the meaning of Chapter 517, Florida Statutes, and the rules of the Florida Department of Financial Services promulgated thereunder. The limitation of the initial offering to Accredited Investors does not denote restrictions on transfer in any secondary market for the Series 2017 Bonds. The Series 2017 Bonds are not credit enhanced or rated and no application has been made for a rating with respect to the Series 2017 Bonds.

This cover page contains information for quick reference only. It is not a summary of the Series 2017 Bonds. Investors must read the entire Limited Offering Memorandum to obtain information essential to the making of an informed investment decision.

MATURITY SCHEDULE

$_____ – ___% Assessment Area One Term Bond due November 1, 20__, Yield _____%, Price _____ CUSIP # _____**
$_____ – ___% Assessment Area One Term Bond due November 1, 20__, Yield _____%, Price _____ CUSIP # _____**
$_____ – ___% Assessment Area One Term Bond due November 1, 20__, Yield _____%, Price _____ CUSIP # _____**
$_____ – ___% Assessment Area Two-1 Term Bond due November 1, 20__, Yield _____%, Price _____ CUSIP # _____**
$_____ – ___% Assessment Area Two-1 Term Bond due November 1, 20__, Yield _____%, Price _____ CUSIP # _____**
$_____ – ___% Assessment Area Two-1 Term Bond due November 1, 20__, Yield _____%, Price _____ CUSIP # _____**
$_____ – ___% Assessment Area Two-2 Term Bond due November 1, 20__, Yield _____%, Price _____ CUSIP # _____**
$_____ – ___% Assessment Area Two-2 Term Bond due November 1, 20__, Yield _____%, Price _____ CUSIP # _____**
$_____ – ___% Assessment Area Two-2 Term Bond due November 1, 20__, Yield _____%, Price _____ CUSIP # _____**

The initial sale of the Series 2017 Bonds is subject to certain conditions precedent, including, without limitation, receipt of the opinions of Greenberg Traurig, P.A., West Palm Beach, Florida, Bond Counsel, as to the validity of the Series 2017 Bonds and the excludability of interest thereon from gross income for federal income tax purposes. Certain legal matters will be passed upon for the District by its counsel, Hopping Green & Sams P.A., Tallahassee, Florida, for the Developer (as hereinafter defined) by its counsel, Shuffield, Lowman & Wilson, P.A., Orlando, Florida, and for the Underwriter by its counsel, GrayRobinson, P.A., Tampa, Florida. It is expected that the Series 2017 Bonds will be delivered in book-entry form through the facilities of DTC on or about January __, 2017.

FMSbonds, Inc.

Dated: January __, 2017

_____
* Preliminary, subject to change.
**The District is not responsible for the CUSIP numbers, nor is any representation made as to their correctness. The CUSIP numbers are included solely for the convenience of the readers of this Limited Offering Memorandum.

AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT

BOARD OF SUPERVISORS

James Harvey, Chairman*
Greg Meath, Vice Chairman*
David Langhout, Assistant Secretary*
Troy Simpson, Assistant Secretary*
Brad Walker, Assistant Secretary*

* Employee of, or affiliated with, the Developer or a Landowner affiliate

DISTRICT MANAGER/METHODOLOGY CONSULTANT

Development Planning & Financing Group, Inc.
Maitland, Florida

DISTRICT COUNSEL

Hopping Green & Sams P.A.
Tallahassee, Florida

BOND COUNSEL

Greenberg Traurig, P.A.
West Palm Beach, Florida

DISTRICT ENGINEER

Heidt Design
Tampa, Florida

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE DISTRICT TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS LIMITED OFFERING MEMORANDUM, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE DISTRICT. THIS LIMITED OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY OF THE SERIES 2017 BONDS AND THERE SHALL BE NO OFFER, SOLICITATION, OR SALE OF THE SERIES 2017 BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE INFORMATION SET FORTH HEREIN HAS BEEN OBTAINED FROM THE DEVELOPER (AS HEREINAFTER DEFINED), THE DISTRICT, PUBLIC DOCUMENTS, RECORDS AND OTHER SOURCES, WHICH SOURCES ARE BELIEVED TO BE RELIABLE BUT WHICH INFORMATION IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS BY, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION OF, THE UNDERWRITER NAMED ON THE COVER PAGE OF THIS LIMITED OFFERING MEMORANDUM. THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS LIMITED OFFERING MEMORANDUM IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN CONTAINED ARE SUBJECT TO CHANGE WITHOUT NOTICE AND NEITHER THE DELIVERY OF THIS LIMITED OFFERING MEMORANDUM, NOR ANY SALE MADE HEREUNDER, SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE DISTRICT OR THE DEVELOPER OR IN THE STATUS OF THE DEVELOPMENT OR THE PROJECTS (AS SUCH TERMS ARE HEREINAFTER DEFINED) SINCE THE DATE HEREOF.

THE SERIES 2017 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAVE THE INDENTURES BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON CERTAIN EXEMPTIONS SET FORTH IN SUCH ACTS. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE SERIES 2017 BONDS IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF ANY JURISDICTIONS WHEREIN THESE SECURITIES HAVE BEEN OR WILL BE REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THE DISTRICT, THE COUNTY, THE STATE, NOR ANY OTHER POLITICAL SUBDIVISIONS THEREOF HAVE GUARANTEED OR PASSED UPON THE MERITS OF THE SERIES 2017 BONDS, UPON THE PROBABILITY OF ANY EARNINGS THEREON OR UPON THE ACCURACY OR ADEQUACY OF THIS LIMITED OFFERING MEMORANDUM.

"FORWARD-LOOKING STATEMENTS" ARE USED IN THIS DOCUMENT BY USING FORWARD LOOKING WORDS SUCH AS "MAY," "WILL," "SHOULD," "INTENDS," "EXPECTS," "BELIEVES," "ANTICIPATES," "ESTIMATES," OR OTHERS. THE READER IS CAUTIONED THAT FORWARD-LOOKING STATEMENTS ARE SUBJECT TO A VARIETY OF UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER FROM THE PROJECTED RESULTS. THOSE RISKS AND UNCERTAINTIES INCLUDE GENERAL ECONOMIC AND BUSINESS CONDITIONS, CONDITIONS IN THE FINANCIAL MARKETS AND REAL ESTATE MARKET, THE DISTRICT'S COLLECTION OF SERIES 2017 SPECIAL ASSESSMENTS (AS HEREINAFTER DEFINED), AND VARIOUS OTHER FACTORS WHICH

MAY BE BEYOND THE DISTRICT'S AND THE DEVELOPER'S CONTROL. BECAUSE THE DISTRICT AND THE DEVELOPER CANNOT PREDICT ALL FACTORS THAT MAY AFFECT FUTURE DECISIONS, ACTIONS, EVENTS, OR FINANCIAL CIRCUMSTANCES, WHAT ACTUALLY HAPPENS MAY BE DIFFERENT FROM WHAT IS INCLUDED IN FORWARD-LOOKING STATEMENTS.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT AND THE LANDOWNERS DO NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER "CONTINUING DISCLOSURE" HEREIN.

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

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AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT
(LAKE COUNTY, FLORIDA)

$_____*	$_____*	$_____*
Special Assessment Bonds, Series 2017 (Assessment Area One Project)	**Special Assessment Bonds, Series 2017A-1 (Assessment Area Two Project)**	**Special Assessment Bonds, Series 2017A-2 (Assessment Area Two Project)**

INTRODUCTION

The purpose of this Limited Offering Memorandum is to set forth certain information in connection with the offering for sale by the Avalon Groves Community Development District (the "District" or "Issuer") of its $_____∗ Special Assessment Bonds, Series 2017 (Assessment Area One Project) (the "Assessment Area One Bonds"), its $_____∗ Special Assessment Bonds, Series 2017A-1 (Assessment Area Two Project) (the "Assessment Area Two-1 Bonds") and its $_____* Special Assessment Bonds, Series 2017A-2 (Assessment Area Two Project) (the "Assessment Area Two-2 Bonds" and, together with the Assessment Area One Bonds and the Assessment Area Two-1 Bonds, the "Series 2017 Bonds").

THE SERIES 2017 BONDS ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS. PURSUANT TO APPLICABLE STATE LAW, THE UNDERWRITER IS LIMITING THIS INITIAL OFFERINGS OF THE SERIES 2017 BONDS TO ONLY ACCREDITED INVESTORS WITHIN THE MEANING OF THE RULES OF THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES. THE LIMITATION OF THE INITIAL OFFERING TO ACCREDITED INVESTORS DOES NOT DENOTE RESTRICTIONS ON TRANSFER IN ANY SECONDARY MARKET FOR THE SERIES 2017 BONDS. POTENTIAL INVESTORS ARE SOLELY RESPONSIBLE FOR EVALUATING THE MERITS AND RISKS OF AN INVESTMENT IN THE SERIES 2017 BONDS. SEE "BONDOWNERS' RISKS" AND "SUITABILITY FOR INVESTMENT" HEREIN.

The District was created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), and Ordinance No. 2016-16 adopted by the Board of County Commissioners of Lake County, Florida (the "County") on April 19, 2016 and became effective on April 27, 2016. The District was created for the purpose of delivering certain community development services and facilities for the benefit of District Lands (as hereinafter defined), and has previously determined to undertake in one or more stages, the acquisition and/or construction of public improvements and community facilities as set forth in the Act for the special benefit of certain District Lands. The Act authorizes the District to issue bonds for the purpose of, among others, financing, funding, planning, establishing, acquiring, constructing or reconstructing, enlarging or extending, equipping water management, water supply, sewer and wastewater management, bridges or culverts, public roads, street lights and other basic infrastructure projects within or without the boundaries of the District as provided in the Act.

The boundaries of the District include approximately [985] gross acres of land (the "District Lands") and is generally located east of U.S. 27 in eastern Lake County (the "County") that are being developed as ["Avalon Groves"] (the "Development"). The Development is being developed in at least three phases and is currently planned for a total of approximately 1,352 housing units, various recreational facilities and an amenity site. See "THE DEVELOPMENT" herein. VK Avalon Groves

∗ Preliminary, subject to change.

LLC, a Florida limited liability company (the "Developer") is the sole owner of the land in the District. See "THE DEVELOPER" herein for more information regarding the Developer.

The Series 2017 Bonds are being issued by the District pursuant to the Act, Resolution Nos. 2016-21 and 2017-___ adopted by the Board of Supervisors of the District (the "Board") on April 28, 2016 and December 22, 2016, respectively (collectively, the "Bond Resolution"), and a Master Trust Indenture dated as of January 1, 2017 (the "Master Indenture"), as amended and supplemented, with respect to the Assessment Area One Bonds by a First Supplemental Trust Indenture dated as of January 1, 2017 (the "First Supplemental Indenture" and, together with the Master Indenture, the "Assessment Area One Indenture") with respect to the Assessment Area Two-1 Bonds by a Second Supplemental Trust Indenture dated as of January 1, 2017 (the "Second Supplemental Indenture" and, together with the Master Indenture, the "Assessment Area Two-1 Indenture") and with respect to the Assessment Area Two-2 Bonds by a Third Supplemental Trust Indenture dated as of January 1, 2017 (the "Third Supplemental Indenture," together with the Master Indenture, the "Assessment Area Two-2 Indenture") (the Assessment Area One Indenture and the Assessment Area Two-1 Indenture and the Assessment Area Two-2 Indenture being collectively referred to herein as the "Indentures"), each by and between the District and Regions Bank, as trustee (the "Trustee"). Capitalized terms not defined herein shall have the meanings assigned to them in the respective Indentures. See "APPENDIX A: PROPOSED FORMS OF THE INDENTURES" herein.

While the Assessment Area One Bonds, the Assessment Area Two-1 Bonds and the Assessment Area Two-2 Bonds are being issued simultaneously, each Series of Series 2017 Bonds is separately secured under a separate supplemental indenture as previously noted herein.

The Assessment Area One Bonds will be secured by a pledge of the Assessment Area One Pledged Revenues. "Assessment Area One Pledged Revenues" shall mean (a) all revenues received by the District from the Assessment Area One Special Assessments levied and collected on the assessable lands within Assessment Area One of the District, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Assessment Area One Special Assessments or from the issuance and sale of tax certificates with respect to such Assessment Area One Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Assessment Area One Indenture created and established with respect to or for the benefit of the Assessment Area One Bonds; provided, however, that Assessment Area One Pledged Revenues shall not include (A) any moneys transferred to the Assessment Area One Rebate Fund and investment earnings thereon, (B) moneys on deposit in the Assessment Area One Costs of Issuance Account of the Acquisition and Construction Fund; and (C) "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance 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), (B) and (C) of this proviso). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2017 BONDS" herein.

The Assessment Area Two-1 Bonds will be secured by a pledge of the Assessment Area Two-1 Pledged Revenues. "Assessment Area Two-1 Pledged Revenues" shall mean (a) all revenues received by the District from the Assessment Area Two-1 Special Assessments levied and collected on the assessable lands within Assessment Area Two of the District, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Assessment Area Two-1 Special Assessments or from the issuance and sale of tax certificates with respect to such Assessment Area Two-1 Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Assessment Area Two-1 Indenture created and established with respect to or for the benefit of the Assessment Area Two-1 Bonds; provided, however, that Assessment Area Two-1 Pledged Revenues shall

not include (A) any moneys transferred to the Assessment Area Two-1 Rebate Fund and investment earnings thereon, (B) moneys on deposit in the Assessment Area Two-1 Costs of Issuance Account of the Acquisition and Construction Fund, and (C) "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance 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), (B) and (C) of this proviso). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2017 BONDS" herein.

The Assessment Area Two-2 Bonds will be secured by a pledge of the Assessment Area Two-2 Pledged Revenues. "Assessment Area Two-2 Pledged Revenues" shall mean (a) all revenues received by the District from the Assessment Area Two-2 Special Assessments levied and collected on the assessable lands within Assessment Area Two of the District, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Assessment Area Two-2 Special Assessments or from the issuance and sale of tax certificates with respect to such Assessment Area Two-2 Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Assessment Area Two-2 Indenture created and established with respect to or for the benefit of the Assessment Area Two-2 Bonds; provided, however, that Assessment Area Two-2 Pledged Revenues shall not include (A) any moneys transferred to the Assessment Area Two-2 Rebate Fund and investment earnings thereon, (B) moneys on deposit in the Assessment Area Two-2 Costs of Issuance Account of the Assessment Area Two-2 Acquisition and Construction Fund, and (C) "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance 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), (B) and (C) of this proviso). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2017 BONDS" herein.

There follows in this Limited Offering Memorandum a brief description of the District, the Developer, the Development, the Projects and summaries of the terms of the Series 2017 Bonds, the Indentures and certain provisions of the Act. All references herein to the Indentures and the Act are qualified in their entirety by reference to such documents and statute, and all references to the Assessment Area One Bonds, the Assessment Area Two-1 Bonds and the Assessment Area Two-2 Bonds are qualified by reference to the respective definitive form thereof and the information with respect thereto contained in the Indentures. The proposed forms of the Master Indenture, First Supplemental Indenture, Second Supplemental Indenture and the Third Supplemental Indenture appear in APPENDIX A attached hereto.

This Limited Offering Memorandum speaks only as of its date and the information contained herein is subject to change.

PURPOSE OF THE SERIES 2017 BONDS

Proceeds of the Assessment Area One Bonds will be used to provide funds (i) the Costs of acquiring or constructing all or a portion of the Assessment Area One Project, (ii) the funding of the Assessment Area One Reserve Account, (iii) pay Capitalized Interest on Assessment Area One Bonds through _____, and (iv) the payment of the costs of issuance of the Assessment Area One Bonds.

Proceeds of the Assessment Area Two-1 Bonds will be used to provide funds (i) the Costs of acquiring and/or constructing a portion of the Assessment Area Two Project, (ii) funding Capitalized

Interest through at least November 1, 20__, (iii) the funding of the Assessment Area Two-1 Reserve Account, and (iv) the payment of the costs of issuance of the Assessment Area Two-1 Bonds.

Proceeds of the Assessment Area Two-2 Bonds will be used to provide funds for (i) the Costs of acquiring and/or constructing a portion of the Assessment Area Two Project, (ii) funding Capitalized Interest through at least November 1, 20__, (iii) the funding of the Assessment Area Two-2 Reserve Account, and (iv) the payment of the costs of issuance of the Assessment Area Two-2 Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS" herein.

DESCRIPTION OF THE SERIES 2017 BONDS

General Description

The Series 2017 Bonds are issuable only as fully registered bonds, without coupons, in the denominations of $5,000 and any integral multiple thereof except as otherwise provided in the Indentures. The Series 2017 Bonds will mature, subject to the redemption provisions set forth herein, on the dates and in the amounts set forth on the cover page hereof.

The Series 2017 Bonds shall be dated as of the date of initial delivery. Interest on the Series 2017 Bonds shall be payable on each Interest Payment Date to maturity or prior redemption. "Interest Payment Date" means May 1 and November 1 of each year, commencing May 1, 2017, any Quarterly Redemption Date (defined in the Indentures as February 1, May 1, August 1 and November 1 of any year), and any other date the principal of the Series 2017 Bonds is paid. Interest on the Series 2017 Bonds shall be payable from the most recent Interest Payment Date next preceding the date of authentication thereof to which interest has been paid, unless the date of authentication thereof is a May 1 or November 1 to which interest has been paid, in which case from such date of authentication, or unless the date of authentication thereof is prior to May 1, 2017, in which case from the date of initial delivery or unless the date of authentication thereof is between a Record Date and the next succeeding Interest Payment Date, in which case from such Interest Payment Date. Interest on the Series 2017 Bonds will be computed in all cases on the basis of a 360 day year consisting of twelve 30-day months.

Upon initial issuance, the ownership of the Series 2017 Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), and purchases of beneficial interests in the Series 2017 Bonds will be made in book-entry only form. As long as the Series 2017 Bonds are held in book-entry-only form, Cede & Co. shall be considered the registered owner for all purposes under the Indentures. DTC shall be responsible for maintaining a book-entry-only system for recording the ownership interest of its participants ("DTC Participants") and other institutions that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly ("Indirect Participants"). The DTC Participants and Indirect Participants will be responsible for maintaining records with respect to the beneficial ownership interests of individual purchasers of the Series 2017 Bonds (Beneficial Owners). Principal of and interest on the Series 2017 Bonds registered in the name of Cede & Co. prior to and at maturity shall be payable directly to Cede & Co. in care of DTC. Disbursal of such amounts to DTC Participants shall be the responsibility of DTC. Payments by DTC Participants to Indirect Participants, and by DTC Participants and Indirect Participants to Beneficial Owners shall be the responsibility of DTC Participants and Indirect Participants and not of DTC, the Trustee or the District. Individuals may purchase beneficial interests in Authorized Denominations in book-entry-only form, without certificated Series 2017 Bonds, through DTC Participants and Indirect Participants. During the period for which Cede & Co. is registered owner of the Series 2017 Bonds, any notices to be provided to any Beneficial Owner will be provided to Cede & Co. DTC shall be responsible for notices to DTC Participants and DTC Participants shall be responsible for notices to Indirect Participants, and DTC Participants and Indirect Participants shall be responsible for notices to Beneficial

Owners. In the event DTC, any successor of DTC or the District, but only in accordance with the procedures of DTC, elects to discontinue the book-entry only system, the Trustee shall deliver bond certificates in accordance with the instructions from DTC or its successor and after such time Series 2017 Bonds may be exchanged for an equal aggregate principal amount of Series 2017 Bonds in other Authorized Denominations upon surrender thereof at the designated corporate trust office of the Trustee. See "DESCRIPTION OF THE SERIES 2017 BONDS – Book-Entry Only System" below.

The Series 2017 Bonds will initially be sold only to "Accredited Investors" within the meaning under Chapter 517, Florida Statutes, as amended, and the rules of the Florida Department of Financial Services promulgated thereunder, although there is no limitation on resales of the Series 2017 Bonds. See "SUITABILITY FOR INVESTMENT" below.

Regions Bank is initially serving as the Trustee, Registrar and Paying Agent for the Series 2017 Bonds.

Redemption Provisions

Optional Redemption

Assessment Area One Bonds

The Assessment Area One Bonds may, at the option of the District, provided written notice hereof has been sent to the Trustee at least forty-five (45) days prior to the redemption date (unless the Trustee will require less than forty-five (45) days' notice), be called for redemption prior to maturity as a whole or in part, at any time, on or after November 1, ____ (less than all Assessment Area One Bonds of a maturity to be selected randomly), at a Redemption Price equal to the principal amount of Assessment Area One Bonds to be redeemed, plus accrued interest from the most recent Interest Payment Date to the redemption date from moneys on deposit in the Assessment Area One Optional Redemption Subaccount of the Assessment Area One Bond Redemption Account.

Assessment Area Two-1 Bonds

The Assessment Area Two-1 Bonds may, at the option of the District, provided written notice hereof has been sent to the Trustee at least forty-five (45) days prior to the redemption date (unless the Trustee will require less than forty-five (45) days' notice), be called for redemption prior to maturity as a whole or in part, at any time, on or after November 1, ____ (less than all Assessment Area Two-1 Bonds of a maturity to be selected randomly), at a Redemption Price equal to the principal amount of Assessment Area Two-1 Bonds to be redeemed, plus accrued interest from the most recent Interest Payment Date to the redemption date from moneys on deposit in the Assessment Area Two-1 Optional Redemption Subaccount of the Assessment Area Two-1 Bond Redemption Account.

Assessment Area Two-2 Bonds

The Series 2016A-2 Bonds are not subject to optional redemption.

Mandatory Sinking Fund Redemption

Assessment Area One Bonds

The Assessment Area One Bonds maturing on November 1, 20__ are subject to mandatory sinking fund redemption from the moneys on deposit in the Assessment Area One Sinking Fund Account

on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a redemption price of 100% of their principal amount plus accrued interest to the date of redemption.

Year	Mandatory Sinking Fund Redemption Amount
*	

_____
*Maturity

The Assessment Area One Bonds maturing on November 1, 20__ are subject to mandatory sinking fund redemption from the moneys on deposit in the Assessment Area One Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a redemption price of 100% of their principal amount plus accrued interest to the date of redemption.

Year	Mandatory Sinking Fund Redemption Amount
*	

_____
*Maturity

The Assessment Area One Bonds maturing on November 1, 20__ are subject to mandatory sinking fund redemption from the moneys on deposit in the Assessment Area One Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a redemption price of 100% of their principal amount plus accrued interest to the date of redemption.

Year	Mandatory Sinking Fund Redemption Amount
*	

_____
*Maturity

Upon any redemption of Assessment Area One Bonds other than in accordance with scheduled mandatory sinking fund redemptions, the District shall cause to be recalculated and delivered to the Trustee revised mandatory sinking fund redemption amounts recalculated so as to amortize the

Outstanding principal amount of Assessment Area One Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Assessment Area One Bonds. The mandatory sinking fund redemption amounts as so recalculated shall not result in an increase in the aggregate of the mandatory sinking fund redemption amounts for all Assessment Area One Bonds in any year. In the event of a redemption or purchase occurring less than 45 days prior to a date on which a mandatory sinking fund redemption payment is due, the foregoing recalculation shall not be made to the mandatory sinking fund redemption amounts due in the year in which such redemption or purchase occurs, but shall be made to the mandatory sinking fund redemption amounts for the immediately succeeding and subsequent years.

Assessment Area Two-1 Bonds

The Assessment Area Two-1 Bonds maturing on November 1, 20__ are subject to mandatory sinking fund redemption from the moneys on deposit in the Assessment Area Two-1 Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a redemption price of 100% of their principal amount plus accrued interest to the date of redemption.

Year	**Mandatory Sinking Fund Redemption Amount**
*	

_____
*Maturity

The Assessment Area Two-1 Bonds maturing on November 1, 20__ are subject to mandatory sinking fund redemption from the moneys on deposit in the Assessment Area Two-1 Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a redemption price of 100% of their principal amount plus accrued interest to the date of redemption.

Year	**Mandatory Sinking Fund Redemption Amount**
*	

_____
*Maturity

The Assessment Area Two-1 Bonds maturing on November 1, 20__ are subject to mandatory sinking fund redemption from the moneys on deposit in the Assessment Area Two-1 Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a redemption price of 100% of their principal amount plus accrued interest to the date of redemption.

Year	Mandatory Sinking Fund Redemption Amount
*	

*Maturity

Upon any redemption of Assessment Area Two-1 Bonds other than in accordance with scheduled mandatory sinking fund redemptions, the District shall cause to be recalculated and delivered to the Trustee revised mandatory sinking fund redemption amounts recalculated so as to amortize the Outstanding principal amount of Assessment Area Two-1 Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Assessment Area Two-1 Bonds. The mandatory sinking fund redemption amounts as so recalculated shall not result in an increase in the aggregate of the mandatory sinking fund redemption amounts for all Assessment Area Two-1 Bonds in any year. In the event of a redemption or purchase occurring less than 45 days prior to a date on which a mandatory sinking fund redemption payment is due, the foregoing recalculation shall not be made to the mandatory sinking fund redemption amounts due in the year in which such redemption or purchase occurs, but shall be made to the mandatory sinking fund redemption amounts for the immediately succeeding and subsequent years.

Assessment Area Two-2 Bonds

The Series 2016A-2 Bonds are not subject to mandatory redemption.

Extraordinary Mandatory Redemption

Assessment Area One Bonds

The Assessment Area One Bonds are subject to extraordinary mandatory redemption prior to maturity by the District in whole or in part, on any date (other than in the case of clause (i) below which extraordinary mandatory redemption in part must occur on a Quarterly Redemption Date), at a Redemption Price equal to 100% of the principal amount of the Assessment Area One Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

(i) from Assessment Area One Prepayment Principal deposited into the Assessment Area One Prepayment Subaccount of the Assessment Area One Bond Redemption Account following the payment in whole or in part of Assessment Area One Special Assessments on any assessable property within [Assessment Area One of] the District in accordance with the provisions of the First Supplemental Indenture.

(ii) from moneys, if any, on deposit in the Assessment Area One Funds, Accounts and Subaccounts in the Funds and Accounts (other than the Assessment Area One Rebate Fund and the Assessment Area One Acquisition and Construction Account) sufficient to pay and redeem all

Outstanding Assessment Area One Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the Assessment Area One Indenture.

(iii) upon the Completion Date, from any funds remaining on deposit in the Assessment Area One Acquisition and Construction Account not otherwise reserved to complete the Assessment Area One Project and which have been transferred to the Assessment Area One General Redemption Subaccount of the Assessment Area One Bond Redemption Account.

Assessment Area Two-1 Bonds

The Assessment Area Two-1 Bonds are subject to extraordinary mandatory redemption prior to maturity by the District in whole or in part, on any date (other than in the case of clause (i) below which extraordinary mandatory redemption in part must occur on a Quarterly Redemption Date), at a Redemption Price equal to 100% of the principal amount of the Assessment Area Two-1 Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

(i) from Assessment Area Two-1 Prepayment Principal deposited into the Assessment Area Two-1 Prepayment Subaccount of the Assessment Area Two-1 Bond Redemption Account following the payment in whole or in part of Assessment Area Two-1 Special Assessments on any assessable property within Assessment Area Two of the District in accordance with the provisions of the Second Supplemental Indenture.

(ii) from moneys, if any, on deposit in the Assessment Area Two-1 Funds, Accounts and Subaccounts in the Funds and Accounts (other than the Assessment Area Two-1 Rebate Fund and the Assessment Area Two-1 Acquisition and Construction Account) sufficient to pay and redeem all Outstanding Assessment Area Two-1 Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the Assessment Area Two-1 Indenture.

(iii) upon the Completion Date, from any funds remaining on deposit in the Assessment Area Two-1 Acquisition and Construction Account not otherwise reserved to complete a portion of the Assessment Area Two Project and which have been transferred to the Assessment Area Two-1 General Redemption Subaccount of the Assessment Area Two-1 Bond Redemption Account.

Assessment Area Two-2 Bonds

The Assessment Area Two-2 Bonds are subject to extraordinary mandatory redemption prior to maturity by the District in whole or in part, on any date (other than in the case of clause (i) below which extraordinary mandatory redemption in part must occur on a Quarterly Redemption Date), at a Redemption Price equal to 100% of the principal amount of the Assessment Area Two-2 Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

(i) from Assessment Area Two-2 Prepayment Principal deposited into the Assessment Area Two-2 Prepayment Subaccount of the Assessment Area Two-2 Bond Redemption Account following the payment in whole or in part of Assessment Area Two-2 Special Assessments on any assessable property within Assessment Area Two of the District in accordance with the provisions of the Third Supplemental Indenture.

(ii) from moneys, if any, on deposit in the Assessment Area Two-2 Funds, Accounts and Subaccounts in the Funds and Accounts (other than the Assessment Area Two-2 Rebate Fund and the Assessment Area Two-2 Acquisition and Construction Account) sufficient to pay and redeem all

Outstanding Assessment Area Two-2 Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the Assessment Area Two-2 Indenture.

(iii) upon the Completion Date, from any funds remaining on deposit in the Assessment Area Two-2 Acquisition and Construction Account not otherwise reserved to complete a portion of the Assessment Area Two Project and which have been transferred to the Series 2017 General Redemption Subaccount.

Notice of Redemption and of Purchase

When required to redeem or purchase Series 2017 Bonds under any provision of the Indentures or directed to do so by the District, the Trustee shall cause notice of the redemption, either in whole or in part, to be mailed by first-class mail, postage prepaid, at least thirty (30) but not more than sixty (60) days prior to the redemption or purchase date to all Owners of such Series of Series 2017 Bonds to be redeemed or purchased (as such Owners appear on the Bond Register on the fifth (5th) day prior to such mailing), at their registered addresses, but failure to mail any such notice or defect in the notice or in the mailing thereof shall not affect the validity of the redemption or purchase of the Series 2017 Bonds for which notice was duly mailed in accordance with the Indentures. If at the time of mailing of notice of redemption or purchase, the District shall not have deposited with the Trustee or Paying Agent moneys sufficient to redeem or purchase all the Series 2017 Bonds called for redemption or purchase, such notice shall state that it is subject to the deposit of the redemption or purchase moneys with the Trustee or Paying Agent, as the case may be, not later than the opening of business on the redemption or purchase date, and such notice shall be of no effect unless such moneys are so deposited. If the amount of funds deposited with the Trustee for such redemption, or otherwise available, is insufficient to pay the Redemption Price and accrued interest on either Series of the Series 2017 Bonds so called for redemption on the redemption date, the Trustee shall redeem and pay on such date an amount of such Series 2017 Bonds for which funds are sufficient, selecting the Series 2017 Bonds to be redeemed randomly from among all such Series of the Series 2017 Bonds called for redemption on such date and, and among different maturities of such Series 2017 Bonds in the same manner as the initial selection of Series 2017 Bonds to be redeemed, and from and after such redemption date, interest on the Series 2017 Bonds or portions thereof so paid shall cease to accrue and become payable; but interest on any Series 2017 Bonds or portions thereof not so paid shall continue to accrue until paid at the same rate as it would have had such Series 2017 Bonds not been called for redemption.

Purchase of Series 2017 Bonds

At the written direction of the District, the Trustee shall apply moneys from time to time available in a Series 2017 Sinking Fund Account to the purchase of a Series of the Series 2017 Bonds in accordance with the applicable Indenture, at prices not higher than the principal amount thereof, in lieu of redemption, provided that firm purchase commitments can be made before the notice of redemption would otherwise be required to be given.

Book-Entry Only System

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

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2017 Bonds. The Series 2017 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an

authorized representative of DTC. One fully-registered Series 2017 Bond certificate will be issued for each maturity of each Series of the Series 2017 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2017 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2017 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2017 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2017 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2017 Bonds, except in the event that use of the book-entry system for the Series 2017 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2017 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2017 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2017 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2017 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2017 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the

Series 2017 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2017 Bond documents. For example, Beneficial Owners of Series 2017 Bonds may wish to ascertain that the nominee holding the Series 2017 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2017 Bonds of a Series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Series 2017 Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2017 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2017 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and interest payments on the Series 2017 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District and/or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2017 Bonds at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2017 Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Series 2017 Bond certificates will be printed and delivered to DTC.

SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2017 BONDS

General

THE ASSESSMENT AREA ONE BONDS, THE ASSESSMENT AREA TWO-1 BONDS AND THE ASSESSMENT AREA TWO-2 BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY OUT OF THE ASSESSMENT AREA ONE PLEDGED REVENUES, THE ASSESSMENT AREA TWO-1 PLEDGED REVENUES AND THE ASSESSMENT AREA TWO-2 PLEDGED REVENUES, RESPECTIVELY, PLEDGED THEREFOR UNDER THE RESPECTIVE INDENTURES AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE DISTRICT, THE COUNTY, THE STATE OF FLORIDA (THE "STATE"),

OR ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE SERIES 2017 BONDS, EXCEPT THAT THE DISTRICT IS OBLIGATED UNDER THE RESPECTIVE INDENTURES TO LEVY AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, THE ASSESSMENT AREA ONE SPECIAL ASSESSMENTS, THE ASSESSMENT AREA TWO-1 SPECIAL ASSESSMENTS AND THE ASSESSMENT AREA TWO-2 SPECIAL ASSESSMENTS TO SECURE AND PAY THE ASSESSMENT AREA ONE BONDS, THE ASSESSMENT AREA TWO-1 BONDS AND THE ASSESSMENT AREA TWO-2 BONDS, RESPECTIVELY. THE SERIES 2017 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT, THE COUNTY, THE STATE, OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

The Assessment Area One Bonds will be secured by a pledge of the Assessment Area One Pledged Revenues. "Assessment Area One Pledged Revenues" shall mean (a) all revenues received by the District from the Assessment Area One Special Assessments levied and collected on the assessable lands within Assessment Area One of the District, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Assessment Area One Special Assessments or from the issuance and sale of tax certificates with respect to such Assessment Area One Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Assessment Area One Indenture created and established with respect to or for the benefit of the Assessment Area One Bonds; provided, however, that Assessment Area One Pledged Revenues shall not include (A) any moneys transferred to the Assessment Area One Rebate Fund and investment earnings thereon, (B) moneys on deposit in the Assessment Area One Costs of Issuance Account of the Acquisition and Construction Fund; and (C) "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance 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), (B) and (C) of this proviso).

The Assessment Area Two-1 Bonds will be secured by a pledge of the Assessment Area Two-1 Pledged Revenues. "Assessment Area Two-1 Pledged Revenues" shall mean (a) all revenues received by the District from the Assessment Area Two-1 Special Assessments levied and collected on the assessable lands within Assessment Area Two of the District, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Assessment Area Two-1 Special Assessments or from the issuance and sale of tax certificates with respect to such Assessment Area Two-1 Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Assessment Area Two-1 Indenture created and established with respect to or for the benefit of the Assessment Area Two-1 Bonds; provided, however, that Assessment Area Two-1 Pledged Revenues shall not include (A) any moneys transferred to the Assessment Area Two-1 Rebate Fund and investment earnings thereon, (B) moneys on deposit in the Assessment Area Two-1 Costs of Issuance Account of the Acquisition and Construction Fund, and (C) "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance 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), (B) and (C) of this proviso).

The Assessment Area Two-2 Bonds will be secured by a pledge of the Assessment Area Two-2 Pledged Revenues. "Assessment Area Two-2 Pledged Revenues" shall mean (a) all revenues received by the District from the Assessment Area Two-2 Special Assessments levied and collected on the assessable lands within Assessment Area Two of the District, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Assessment Area Two-2 Special

Assessments or from the issuance and sale of tax certificates with respect to such Assessment Area Two-2 Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Assessment Area Two-2 Indenture created and established with respect to or for the benefit of the Assessment Area Two-2 Bonds; provided, however, that Assessment Area Two-2 Pledged Revenues shall not include (A) any moneys transferred to the Assessment Area Two-2 Rebate Fund and investment earnings thereon, (B) moneys on deposit in the Assessment Area Two-2 Costs of Issuance Account of the Assessment Area Two-2 Acquisition and Construction Fund, and (C) "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance 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), (B) and (C) of this proviso).

"Assessment Area One Special Assessments" shall mean a portion of the Special Assessments levied on the assessable lands within Assessment Area One of the District as a result of the District's acquisition and/or construction of the Assessment Area One Project, corresponding in amount to the debt service on the Assessment Area One Bonds and designated as such in the methodology report relating thereto.

"Assessment Area Two-1 Special Assessments" shall mean a portion of the Special Assessments levied on the assessable lands within Assessment Area Two of the District as a result of the District's acquisition and/or construction of a portion of the Assessment Area Two Project, corresponding in amount to the debt service on the Assessment Area Two-1 Bonds and designated as such in the methodology report relating thereto.

"Assessment Area Two-2 Special Assessments" shall mean a portion of the Special Assessments levied on the assessable lands within Assessment Area Two of the District as a result of the District's acquisition and/or construction of a portion of the Assessment Area Two Project, corresponding in amount to the debt service on the Assessment Area Two-2 Bonds and designated as such in the methodology report relating thereto.

The Series 2017 Special Assessments are non-ad valorem special assessments imposed and levied by the District pursuant to Section 190.022 of the Act and the Assessment Resolutions (as defined in the Indentures) and assessment proceedings conducted by the District (together with the Assessment Resolutions, the "Assessment Proceedings"). Non-ad valorem assessments are not based on millage and are not taxes, but are a lien against the homestead as permitted in Section 4, Article X of the Florida State Constitution. The Assessment Area One Special Assessments, the Assessment Area Two-1 Special Assessments and the Assessment Area Two-2 Special Assessments will constitute separate liens against the land as to which each Series of the Series 2017 Special Assessments are imposed. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" herein. The Assessment Methodology (as hereinafter defined), which describes the methodology for allocating the Series 2017 Special Assessments to certain assessable lands within the District is included as APPENDIX D attached hereto.

In the Master Indenture, the District covenanted that, if any Special Assessment shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or if the District shall be satisfied that any such Special Assessment is so irregular or defective that the same cannot be enforced or collected, or if the District shall have omitted to make such Special Assessment when it might have done so, the District shall either (i) take all necessary steps to cause a new Special Assessment to be made for the whole or any part of said improvement or against any property benefited by said improvement, or (ii) in its sole discretion, make up the amount of such Special Assessment from any legally available moneys, which moneys shall be deposited into the applicable Series Account in the Revenue Fund. In case such

second Special Assessment shall be annulled, the District shall obtain and make other Special Assessments until a valid Special Assessment shall be made.

Prepayment of Series 2017 Special Assessments

[Pursuant to the Assessment Proceedings, an owner of property subject to the Assessment Area One Special Assessments or the Assessment Area Two-1 Special Assessments or the Assessment Area Two-2 Special Assessments may pay the entire principal balance of such the Assessment Area One Special Assessments or the Assessment Area Two-1 Special Assessments or the Assessment Area Two-2 Special Assessments on lands it owns in whole or in part at any time if there is also paid an amount equal to the interest that would otherwise be due on such prepaid amount on the next succeeding interest payment date for the related Series of Series 2017 Bonds which is at least forty-five (45) days after the date of the payment.]

Pursuant to the Act, an owner of property subject to the levy of Series 2017 Special Assessments may pay the entire balance of the Series 2017 Special Assessments remaining due, without interest, within thirty (30) days after the applicable Project has been completed or acquired by the District, and the Board has adopted a resolution accepting the applicable Project pursuant to Chapter 170.09, Florida Statutes. The Developer, as the sole owner of the property within the District, will covenant to waive this right on behalf of itself and its successors and assigns in connection with the issuance of the Series 2017 Bonds.

Each Series of the Series 2017 Bonds are subject to extraordinary redemption as indicated under "DESCRIPTION OF THE SERIES 2017 BONDS - Redemption Provisions - Extraordinary Mandatory Redemption" from optional prepayments of applicable Series 2017 Special Assessments by property owners.

Additional Bonds

[In the Assessment Area One Indenture, the District will covenant not to issue any other Bonds or other debt obligations secured by Assessment Area One Special Assessments levied against the assessable lands within the District to finance any capital Assessment Area One Project. Such covenant shall not prohibit the Issuer from issuing refunding bonds. In addition, except as set forth in the additional bonds test described above with respect to the financing of the Assessment Area One Project, the District will covenant not to issue any other Bonds or other debt obligations secured by Special Assessments on assessable lands within Assessment Area One of the District which are also secured by the Assessment Area One Special Assessments unless [To Come]. The Trustee and the District may rely on a certificate from the District Manager regarding such status of [platting, absorption and the Assessment Area One Special Assessments.] Notwithstanding any of the foregoing, the District shall not be precluded from imposing Special Assessments or non-ad valorem assessments on lands within the District for purposes of remediating any natural disaster, catastrophic damage or failure that has occurred with respect to the Assessment Area One Project or any component thereof.]

[In the Assessment Area Two-1 Indenture and the Assessment Area Two-2 Indenture, the District will covenant not to issue any other Bonds or other debt obligation secured by Special Assessments levied against any assessable lands within Assessment Area Two, other than the Assessment Area Two-1 Bonds and the Assessment Area Two-2 Bonds until at least _____ equivalent assessment units have been platted and the corresponding principal amount of the Assessment Area Two-1 Special Assessments and Assessment Area Two-2 Special Assessments have been assigned and recorded as assigned in the District's lien book. After such event, the District may issue Bonds or other debt obligations on any assessable lands within Assessment Area Two which have not been platted. Notwithstanding the

forgoing, the District further covenants not to issue Bonds or debt obligations secured by Special Assessments levied against any of the platted lots unless such lots have been Substantially Absorbed. "Substantially Absorbed" shall mean the date when at least _____% of the principal portion of the Assessment Area Two-1 Special Assessments and the Assessment Area Two-2 Special Assessments have been assigned to residential units within Assessment Area Two that have received certificates of occupancy. Such covenants of the District will not prevent the District from issuing refunding bonds or preclude the District from imposing Special Assessments or other non–ad valorem assessments on any lands within Assessment Area Two in connection with capital projects that are necessary for health, safety or welfare reasons or to remediate any natural disaster. The District and the Trustee may rely on a written certificate from the District Manager regarding the status of the aforementioned platting and residential units.]

The District anticipates issuing additional bonds within the District in the future that will be secured by Special Assessments on lands not subject to the Assessment Area One Special Assessments, the Assessment Area Two-1 Special Assessments nor the Assessment Area Two-2 Special Assessments. The District and/or other public entities may impose taxes or other special assessments on the same properties encumbered by the Series 2017 Special Assessments without the consent of the Owners of the Series 2017 Bonds. The District expects to impose certain non-ad valorem special assessments called maintenance assessments, which are of equal dignity with the Series 2017 Special Assessments, on the same lands upon which the Series 2017 Special Assessments are imposed, to fund the maintenance and operation of the District. See "THE DEVELOPMENT – Taxes, Assessments and Fees" and "BONDOWNERS' RISKS" herein for more information.

Covenant Against Sale or Encumbrance

In the Master Indenture, the District covenanted that (a) except for those improvements comprising any Project that are to be conveyed by the District to the County, the State Department of Transportation or another governmental entity and (b) except as otherwise permitted in the Master Indenture, it will not sell, lease or otherwise dispose of or encumber any Project or any part thereof. See "APPENDIX A: PROPOSED FORMS OF THE INDENTURES" attached hereto for more information.

Acquisition and Construction Accounts

The Indentures establish separate accounts within the Acquisition and Construction Fund designated as the "Assessment Area One Acquisition and Construction Account," the "Assessment Area Two-1 Acquisition and Construction Account" and the "Assessment Area Two-2 Acquisition and Construction Account." Proceeds of the Series 2017 Bonds shall be deposited into the applicable Series 2017 Acquisition and Construction Account in the amounts set forth in the First Supplemental Indenture, the Second Supplemental Indenture and the Third Supplemental Indenture, respectively, together with any moneys transferred to the Series 2017 Acquisition and Construction Accounts. The amounts in the Assessment Area One Acquisition and Construction Account, the Assessment Area Two-1 Acquisition and Construction Account and the Assessment Area Two-2 Acquisition and Construction Account, until applied as provided in the Assessment Area One Indenture and the Assessment Area Two-1 Indenture, the Assessment Area Two-2 Indenture, respectively, shall be held for the security of the Assessment Area One Bonds, the Assessment Area Two-1 Bonds and the Assessment Area Two-2 Bonds, respectively. Upon presentment to the Trustee of a properly signed requisition in substantially the form attached to the respective Supplemental Indentures, the Trustee shall withdraw moneys from the applicable Series 2017 Acquisition and Construction Account. Any moneys remaining in the Assessment Area One Acquisition and Construction Account after payment of all costs of the Assessment Area One Project, as evidenced in writing from the District or from the District Manager, on behalf of the District to the Trustee, shall be transferred to the Assessment Area One General Redemption Subaccount of the Assessment Area One

Bond Redemption Account. Moneys on deposit in the Series 2016A-2 Acquisition and Construction Account shall be requisitioned Pro-Rata with the money on deposit in the Series 2016A-1 Acquisition and Construction Account created and established under the A-1 Indenture. "Pro-Rata" shall mean the ratio of the Outstanding principal amount of the Series 2016A-2 Bonds over the Outstanding principal amount of the Series 2016A-1 Bonds. After the Completion Date (as defined in the Master Indenture) of the Assessment Area Two Project, any moneys remaining in the Assessment Area Two-1 Acquisition and Construction Account and the Assessment Area Two-2 Acquisition and Construction Account, as evidenced in writing from the District or from the District Manager, on behalf of the District to the Trustee, shall be transferred to the Assessment Area Two-1 General Redemption Subaccount and the Assessment Area Two-2 General Redemption Subaccount of the Assessment Area Two-1 Bond Redemption Account and the Assessment Area Two-2 Bond Redemption Account, respectively. See "APPENDIX A: PROPOSED FORMS OF THE INDENTURES" attached hereto for more information.

Series 2017 Reserve Accounts

Assessment Area One Reserve Account

The First Supplemental Indenture establishes an Assessment Area One Reserve Account within the Debt Service Reserve Fund for the Assessment Area One Bonds. The Assessment Area One Reserve Account will, at the time of delivery of the Assessment Area One Bonds, be funded from a portion of the proceeds of the Assessment Area One Bonds in the amount of the Assessment Area One Reserve Requirement. "Assessment Area One Reserve Requirement" or "Reserve Requirement" shall mean an amount equal to _____ percent (__%) of the maximum annual debt service with respect to the initial principal amount of the Assessment Area One Bonds. Any amount in the Assessment Area One Reserve Account may, upon final maturity or redemption of all Outstanding Assessment Area One Bonds be used to pay principal of and interest on the Assessment Area One Bonds at that time. The Assessment Area One Reserve Requirement shall be equal to $_____.

Moneys deposited into the Assessment Area One Reserve Account shall be applied for the purposes provided in the Assessment Area One Indenture. All investment earnings on moneys in the Assessment Area One Reserve Account shall remain on deposit therein. Notwithstanding any of the foregoing, amounts on deposit in the Assessment Area One Reserve Account shall be transferred by the Trustee, in the amounts directed in writing by the Majority Holders of the Assessment Area One Bonds to the Assessment Area One General Redemption Subaccount of the Assessment Area One Bond Redemption Account, if as a result of the application of the provisions of the Master Indenture relating to remedies in Events of Default, the proceeds received from lands sold subject to the Assessment Area One Special Assessments and applied to redeem a portion of the Assessment Area One Bonds are less than the principal amount of Assessment Area One Bonds indebtedness attributable to such lands.

It shall be an event of default under the Assessment Area One Indenture if at any time the amount in the Assessment Area One Reserve Account is less than the Assessment Area One Reserve Requirement as a result of the Trustee withdrawing an amount therefrom to satisfy the Assessment Area One Reserve Requirement and such amount has not been restored within thirty (30) days of such withdrawal.

Assessment Area Two-1 Reserve Account

The Second Supplemental Indenture establishes an Assessment Area Two-1 Reserve Account within the Debt Service Reserve Fund for the Assessment Area Two-1 Bonds. The Assessment Area Two-1 Reserve Account will, at the time of delivery of the Assessment Area Two-1 Bonds, be funded from a portion of the proceeds of the Assessment Area Two-1 Bonds in the amount of the Assessment Area Two-1 Reserve Requirement. "Assessment Area Two-1 Reserve Requirement" or "Reserve

Requirement" shall mean an amount equal to _____ percent (__%) of the maximum annual debt service with respect to the initial principal amount of the Assessment Area Two-1 Bonds. Any amount in the Assessment Area Two-1 Reserve Account may, upon final maturity or redemption of all Outstanding Assessment Area Two-1 Bonds be used to pay principal of and interest on the Assessment Area Two-1 Bonds at that time. The Assessment Area Two-1 Reserve Requirement shall be equal to $_____.

Moneys deposited into the Assessment Area Two-1 Reserve Account shall be applied for the purposes provided in the Assessment Area Two-1 Indenture. All investment earnings on moneys in the Assessment Area Two-1 Reserve Account shall remain on deposit therein. Notwithstanding any of the foregoing, amounts on deposit in the Assessment Area Two-1 Reserve Account shall be transferred by the Trustee, in the amounts directed in writing by the Majority Holders of the Assessment Area Two-1 Bonds to the Assessment Area Two-1 General Redemption Subaccount of the Assessment Area Two-1 Bond Redemption Account, if as a result of the application of the provisions of the Master Indenture relating to remedies in Events of Default, the proceeds received from lands sold subject to the Assessment Area Two-1 Special Assessments and applied to redeem a portion of the Assessment Area Two-1 Bonds are less than the principal amount of Assessment Area Two-1 Bonds indebtedness attributable to such lands.

It shall be an event of default under the Assessment Area Two-1 Indenture if at any time the amount in the Assessment Area Two-1 Reserve Account is less than the Assessment Area Two-1 Reserve Requirement as a result of the Trustee withdrawing an amount therefrom to satisfy the Assessment Area Two-1 Reserve Requirement and such amount has not been restored within thirty (30) days of such withdrawal.

Assessment Area Two-2 Reserve Account

The Third Supplemental Indenture establishes an Assessment Area Two-2 Reserve Account within the Debt Service Reserve Fund for the Assessment Area Two-2 Bonds. The Assessment Area Two-2 Reserve Account will, at the time of delivery of the Assessment Area Two-2 Bonds, be funded from a portion of the proceeds of the Assessment Area Two-2 Bonds in the amount of the Assessment Area Two-2 Reserve Requirement. The "Assessment Area Two-2 Reserve Requirement" or "Reserve Requirement" shall mean an amount equal to _____ percent (__%) of the maximum annual debt service with respect to the initial principal amount of the Assessment Area Two-2 Bonds. Any amount in the Assessment Area Two-2 Reserve Account may, upon final maturity or redemption of all Outstanding Assessment Area Two-2 Bonds be used to pay principal of and interest on the Assessment Area Two-2 Bonds at that time. The Assessment Area Two-2 Reserve Requirement shall be equal to $_____.

Moneys deposited into the Assessment Area Two-2 Reserve Account shall be applied for the purposes provided in the Assessment Area Two-2 Indenture. All investment earnings on moneys in the Assessment Area Two-2 Reserve Account shall remain on deposit therein. Notwithstanding any of the foregoing, amounts on deposit in the Assessment Area Two-2 Reserve Account shall be transferred by the Trustee, in the amounts directed in writing by the Majority Holders of the Assessment Area Two-2 Bonds to the Assessment Area Two-2 General Redemption Subaccount of the Assessment Area Two-2 Bond Redemption Account, if as a result of the application of the provisions of the Master Indenture relating to remedies in Events of Default, the proceeds received from lands sold subject to the Assessment Area Two-2 Special Assessments and applied to redeem a portion of the Assessment Area Two-2 Bonds are less than the principal amount of Assessment Area Two-2 Bonds indebtedness attributable to such lands.

It shall be an event of default under the Assessment Area Two-2 Indenture if at any time the amount in the Assessment Area Two-2 Reserve Account is less than the Assessment Area Two-2 Reserve Requirement as a result of the Trustee withdrawing an amount therefrom to satisfy the Assessment Area

Two-2 Reserve Requirement and such amount has not been restored within thirty (30) days of such withdrawal.

Deposit and Application of the Pledged Revenues

Assessment Area One Pledged Revenues

Pursuant to the First Supplemental Indenture, Assessment Area One Special Assessments (except for Prepayments of Assessment Area One Special Assessments, which shall be identified as such by the District to the Trustee and deposited in the Assessment Area One Prepayment Subaccount) shall be deposited by the Trustee into the Assessment Area One Revenue Account established within the Revenue Fund. The Trustee shall transfer from amounts on deposit in the Assessment Area One Revenue Account to the Funds and Accounts designated below, the following amounts, at the following times and in the following order of priority:

FIRST, upon receipt but no later than the Business Day next preceding each May 1 commencing May 1, 2017, to the Assessment Area One Interest Account of the Debt Service Fund, an amount from the Assessment Area One Revenue Account equal to the interest on the Assessment Area One Bonds becoming due on the next succeeding May 1, less any amounts on deposit in the Assessment Area One Interest Account or the Assessment Area One Capitalized Interest Account not previously credited;

SECOND, upon receipt but no later than the Business Day next preceding each November 1 commencing November 1, 2017, to the Assessment Area One Interest Account of the Debt Service Fund, an amount from the Assessment Area One Revenue Account equal to the interest on the Assessment Area One Bonds becoming due on the next succeeding November 1, less any amount on deposit in the Assessment Area One Interest Account or the Assessment Area One Capitalized Interest Account not previously credited;

THIRD, no later than the Business Day next preceding each November 1, commencing November 1, 20__, to the Assessment Area One Sinking Fund Account of the Debt Service Fund, an amount from the Assessment Area One Revenue Account equal to the principal amount of Assessment Area One Bonds subject to sinking fund redemption on such November 1, less any amount on deposit in the Assessment Area One Sinking Fund Account not previously credited;

FOURTH, no later than the Business Day next preceding [the] November 1, which is the principal payment date for any Assessment Area One Bonds, to the Assessment Area One Principal Account of the Debt Service Fund, an amount from the Assessment Area One Revenue Account equal to the principal amount of Assessment Area One Bonds Outstanding maturing on such November 1, less any amounts on deposit in the Assessment Area One Principal Account not previously credited;

FIFTH, upon receipt but no later than the Business Day next preceding each Interest Payment Date while Assessment Area One Bonds remain Outstanding, to the Assessment Area One Reserve Account, an amount from the Assessment Area One Revenue Account equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Reserve Requirement for the Assessment Area One Bonds; and

SIXTH, notwithstanding the foregoing, at any time the Assessment Area One Bonds are subject to redemption on a date which is not an Interest Payment Date, the Trustee shall be authorized to transfer from the Assessment Area One Revenue Account to the Assessment Area

One Interest Account, the amount necessary to pay interest on the Assessment Area One Bonds subject to redemption on such date; and

SEVENTH, subject to the foregoing paragraphs, the balance of any moneys remaining after making the foregoing deposits shall be first deposited into the Assessment Area One Costs of Issuance Account to cover any deficiencies in the amount allocated to pay the cost of issuing the Assessment Area One Bonds and next, any balance in the Assessment Area One Revenue Account shall remain on deposit in such Assessment Area One Revenue Account, unless pursuant to the Arbitrage Certificate, it is necessary to make a deposit into the Assessment Area One Rebate Fund, in which case, the District shall direct the Trustee to make such deposit thereto.

Notwithstanding that the District has funded the Assessment Area One Capitalized Interest Account to pay interest on the Assessment Area One Bonds through at least _____ 1, 20__, moneys on deposit in the Assessment Area One Capitalized Interest Account, including all investment earnings thereon, shall remain on deposit in such Account and be used by the Trustee to pay interest on the Assessment Area One Bonds on any subsequent Interest Payment Date if moneys remain after _____ 1, 20__. When such Account has been depleted of all funds, the Trustee shall be authorized to close such Account.

Assessment Area Two-1 Pledged Revenues

Pursuant to the Second Supplemental Indenture, Assessment Area Two-1 Special Assessments (except for Prepayments of Assessment Area Two-1 Special Assessments, which shall be identified as such by the District to the Trustee and deposited in the Assessment Area Two-1 Prepayment Subaccount) shall be deposited by the Trustee into the Assessment Area Two-1 Revenue Account established within the Revenue Fund. The Trustee shall transfer from amounts on deposit in the Assessment Area Two-1 Revenue Account to the Funds and Accounts designated below, the following amounts, at the following times and in the following order of priority:

FIRST, upon receipt but no later than the Business Day next preceding each May 1 commencing May 1, 2017, to the Assessment Area Two-1 Interest Account of the Debt Service Fund, an amount from the Assessment Area Two-1 Revenue Account equal to the interest on the Assessment Area Two-1 Bonds becoming due on the next succeeding May 1, less any amounts on deposit in the Assessment Area Two-1 Capitalized Interest Account or the Assessment Area Two-1 Interest Account not previously credited;

SECOND, upon receipt but no later than the Business Day next preceding each November 1 commencing November 1, 2017, to the Assessment Area Two-1 Interest Account of the Debt Service Fund, an amount from the Assessment Area Two-1 Revenue Account equal to the interest on the Assessment Area Two-1 Bonds becoming due on the next succeeding November 1, less any amount on deposit in the Assessment Area Two-1 Capitalized Interest Account or the Assessment Area Two-1 Interest Account not previously credited;

THIRD, no later than the Business Day next preceding each November 1, commencing November 1, 20__, to the Assessment Area Two-1 Sinking Fund Account of the Debt Service Fund, an amount from the Assessment Area Two-1 Revenue Account equal to the principal amount of Assessment Area Two-1 Bonds subject to sinking fund redemption on such November 1, less any amount on deposit in the Assessment Area Two-1 Sinking Fund Account not previously credited;

FOURTH, no later than the Business Day next preceding [the] November 1, which is the principal payment date for any Assessment Area Two-1 Bonds, to the Assessment Area Two-1 Principal Account of the Debt Service Fund, an amount from the Assessment Area Two-1 Revenue Account equal to the principal amount of Assessment Area Two-1 Bonds Outstanding maturing on such November 1, less any amounts on deposit in the Assessment Area Two-1 Principal Account not previously credited;

FIFTH, upon receipt but no later than the Business Day next preceding each Interest Payment Date while Assessment Area Two-1 Bonds remain Outstanding, to the Assessment Area Two-1 Reserve Account, an amount from the Assessment Area Two-1 Revenue Account equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Reserve Requirement for the Assessment Area Two-1 Bonds; and

SIXTH, notwithstanding the foregoing, at any time the Assessment Area Two-1 Bonds are subject to redemption on a date which is not a Quarterly Redemption Date, the Trustee shall be authorized to transfer from the Assessment Area Two-1 Revenue Account to the Assessment Area Two-1 Interest Account, the amount necessary to pay interest on the Assessment Area Two-1 Bonds subject to redemption on such date; and

SEVENTH, subject to the foregoing paragraphs, the balance of any moneys remaining after making the foregoing deposits shall be first deposited into the Assessment Area Two-1 Costs of Issuance Account to cover any deficiencies in the amount allocated to pay the cost of issuing the Assessment Area Two-1 Bonds and next, any balance in the Assessment Area Two-1 Revenue Account shall remain on deposit in such Assessment Area Two-1 Revenue Account, unless pursuant to the Arbitrage Certificate, it is necessary to make a deposit into the Assessment Area Two-1 Rebate Fund, in which case, the District shall direct the Trustee to make such deposit thereto.

Notwithstanding that the District has funded the Assessment Area Two-1 Capitalized Interest Account to pay interest on the Assessment Area Two-1 Bonds through at least _____ 1, 20__, moneys on deposit in the Assessment Area Two-1 Capitalized Interest Account, including all investment earnings thereon, shall remain on deposit in such Account and be used by the Trustee to pay interest on the Assessment Area Two-1 Bonds on any subsequent Interest Payment Date if moneys remain after _____ 1, 20__. When such Account has been depleted of all funds, the Trustee shall be authorized to close such Account.

Assessment Area Two-2 Pledged Revenues

Pursuant to the Third Supplemental Indenture, Assessment Area Two-2 Special Assessments (except for Prepayments of Assessment Area Two-2 Special Assessments, which shall be identified as such by the District to the Trustee and deposited in the Assessment Area Two-2 Prepayment Subaccount) shall be deposited by the Trustee into the Assessment Area Two-2 Revenue Account established within the Revenue Fund. The Trustee shall transfer from amounts on deposit in the Assessment Area Two-2 Revenue Account to the Funds and Accounts designated below, the following amounts, at the following times and in the following order of priority:

FIRST, upon receipt but no later than the Business Day next preceding each May 1 commencing May 1, 2017, to the Assessment Area Two-2 Interest Account of the Debt Service Fund, an amount from the Assessment Area Two-2 Revenue Account equal to the interest on the Assessment Area Two-2 Bonds becoming due on the next succeeding May 1, less any amount on

deposit in the Assessment Area Two-2 Capitalized Interest Account or the Assessment Area Two-2 Interest Account not previously credited;

SECOND, upon receipt but no later than the Business Day next preceding each November 1 commencing November 1, 2017, to the Assessment Area Two-2 Interest Account of the Debt Service Fund, an amount from the Assessment Area Two-2 Revenue Account equal to the interest on the Assessment Area Two-2 Bonds becoming due on the next succeeding May 1, less any amounts on deposit in the Assessment Area Two-2 Capitalized Interest Account or the Assessment Area Two-2 Interest Account not previously credited;

THIRD, no later than the Business Day next preceding [the] November 1, which is the principal payment date for any Assessment Area Two-2 Bonds, to the Assessment Area Two-2 Principal Account of the Debt Service Fund, an amount from the Assessment Area Two-2 Revenue Account equal to the principal amount of Assessment Area Two-2 Bonds Outstanding maturing on such November 1, less any amounts on deposit in the Assessment Area Two-2 Principal Account not previously credited;

FOURTH, upon receipt but no later than the Business Day next preceding each Interest Payment Date while Assessment Area Two-2 Bonds remain Outstanding, to the Assessment Area Two-2 Reserve Account, an amount from the Assessment Area Two-2 Revenue Account equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Reserve Requirement for the Assessment Area Two-2 Bonds; and

FIFTH, notwithstanding the foregoing, at any time the Assessment Area Two-2 Bonds are subject to redemption on a date which is not a Quarterly Redemption Date, the Trustee shall be authorized to transfer from the Assessment Area Two-2 Revenue Account to the Assessment Area Two-2 Interest Account, the amount necessary to pay interest on the Assessment Area Two-2 Bonds subject to redemption on such date; and

SIXTH, subject to the foregoing paragraphs, the balance of any moneys remaining after making the foregoing deposits shall be first deposited into the Assessment Area Two-2 Costs of Issuance Account to cover any deficiencies in the amount allocated to pay the cost of issuing the Assessment Area Two-2 Bonds and next, any balance in the Assessment Area Two-2 Revenue Account shall remain on deposit in such Assessment Area Two-2 Revenue Account, unless pursuant to the Arbitrage Certificate, it is necessary to make a deposit into the Assessment Area Two-2 Rebate Fund, in which case, the District shall direct the Trustee to make such deposit thereto.

Notwithstanding that the District has funded the Assessment Area Two-2 Capitalized Interest Account to pay interest on the Assessment Area Two-2 Bonds through at least _____ 1, 20__, moneys on deposit in the Assessment Area Two-2 Capitalized Interest Account, including all investment earnings thereon, shall remain on deposit in such Account and be used by the Trustee to pay interest on the Assessment Area Two-2 Bonds on any subsequent Interest Payment Date if moneys remain after _____ 1, 20__. When such Account has been depleted of all funds, the Trustee shall be authorized to close such Account.

Investments

The Trustee shall, as directed by the District in writing, invest moneys held in the Series Accounts in the Debt Service Fund and any Series Accounts within the Bond Redemption Fund only in Government Obligations and certain types of securities described in the definition of Investment

Securities. The Trustee shall, as directed by the District in writing, invest moneys held in any Series Account of the Debt Service Reserve Fund in Investment Securities. All deposits in time accounts shall be subject to withdrawal without penalty and all investments shall mature or be subject to redemption by the holder without penalty, not later than the date when the amounts will foreseeably be needed for purposes set forth in the Indentures. All securities securing investments under the Indentures shall be deposited with a Federal Reserve Bank, with the trust department of the Trustee, as authorized by law with respect to trust funds in the State, or with a bank or trust company having a combined net capital and surplus of not less than $50,000,000. The interest and income received upon such investments and any interest paid by the Trustee or any other depository of any Fund or Account and any profit or loss resulting from the sale of securities shall be added or charged to the Fund or Account for which such investments are made; provided, however, that if the amount in any Fund or Account equals or exceeds the amount required to be on deposit therein, subject to the provisions of the Indentures, any interest and other income so received shall be deposited in the related Series Account of the Revenue Fund. Upon request of the District, or on its own initiative whenever payment is to be made out of any Series Fund or Series Account, the Trustee shall sell such securities as may be requested to make the payment and restore the proceeds to the Fund or Account in which the securities were held. The Trustee shall not be accountable for any depreciation in the value of any such security or for any loss resulting from the sale thereof, except as provided in the Indentures.

Absent specific instructions or absent standing instructions from the District for investment of such moneys, then the Trustee shall not be responsible or liable for keeping the moneys invested. The Trustee shall not be liable or responsible for any loss or failure to achieve the highest return, or entitled to any gain, resulting from any investment or sale upon the investment instructions of the District or otherwise. The Trustee may make any investments permitted by the provisions of this section through its own bond department or investment department.

The Trustee shall value the assets in each of the Series Funds and Series Accounts established under the Indentures forty-five (45) days prior to each Interest Payment Date, and as soon as practicable after each such valuation date (but no later than ten (10) days after each such valuation date) shall provide the District a report of the status of each Series Fund and Series Account as of the valuation date. For the purpose of determining the amount on deposit to the credit of the respective Series Account of the Debt Service Reserve Fund, obligations in which money in each such Series Account shall have been invested shall be valued at par, if purchased at par, or at amortized cost, if purchased at other than par, plus, in each case, accrued interest. See "APPENDIX A: PROPOSED FORMS OF THE INDENTURES" attached hereto for more information.

Collateral Assignment and Assumption of Development and Contract Rights

As a condition precedent to the issuance of the Assessment Area One Bonds, and as an inducement for the Bondholders to purchase the Assessment Area One Bonds, the Developer will execute and deliver to the District a Collateral Assignment and Assumption of Development Rights Relating to Assessment Area One (the "Assessment Area One Collateral Assignment"), pursuant to which the Developer will collaterally assign to the District, to the extent assignable, to the extent accepted by the District in its sole discretion and to the extent that they are solely owned or controlled by the Developer or subsequently acquired by the Developer, and subject to the limitations set forth below, all of its development rights relating to the development of Assessment Area One (collectively, the "Development Rights"), subject to the terms and conditions therein. The Development Rights include the following as they pertain to the development of Assessment Area One: (a) engineering and construction plans and specifications for grading, roadways, site drainage, stormwater drainage, signage, water distribution, waste water collection, and other improvements; (b) preliminary and final site plans; (c) architectural plans and specifications for buildings and other improvements to the developable property within

Assessment Area One; (d) permits, approvals, resolutions, variances, licenses and franchises granted by governmental authorities, or any of their respective agencies, for or affecting the Assessment Area One Project; (e) contracts with engineers, architects, land planners, landscape architects, consultants, contractors, and suppliers for or relating to the construction of the Assessment Area One Project; (f) all prepaid impact fees and impact fee credits; and (g) all future creations, changes, extensions, revisions, modifications, substitutions, and replacements of any of the foregoing. The Development Rights specifically exclude any portion of the Development Rights listed above which relate solely to Lots (as defined in the Assessment Area One Collateral Assignment) or any property which has been or is in the future conveyed to the County, the District, any utility provider, any unaffiliated homebuilder, any governmental or quasi-governmental entity, any applicable homeowner's association or other governing entity or association as may be required by applicable permits, approvals, plats, entitlements or regulations affecting the District, if any, or to end user residents.

As a condition precedent to the issuance of the Assessment Area Two-1 Bonds and the Assessment Area Two-2 Bonds, and as an inducement for the Bondholders to purchase such bonds, the Developer will execute and deliver to the District a Collateral Assignment and Assumption of Development Rights Relating to Assessment Area Two (the "Assessment Area Two Collateral Assignment"), pursuant to which the Developer will collaterally assign to the District, to the extent assignable, to the extent accepted by the District in its sole discretion and to the extent that they are solely owned or controlled by the Developer or subsequently acquired by the Developer, and subject to the limitations set forth below, all of its development rights relating to the development of Assessment Area Two (collectively, the "Development Rights"), subject to the terms and conditions therein. The Development Rights include the following as they pertain to the development of Assessment Area Two: (a) engineering and construction plans and specifications for grading, roadways, site drainage, stormwater drainage, signage, water distribution, waste water collection, and other improvements; (b) preliminary and final site plans; (c) architectural plans and specifications for buildings and other improvements to the developable property within Assessment Area Two; (d) permits, approvals, resolutions, variances, licenses and franchises granted by governmental authorities, or any of their respective agencies, for or affecting the Assessment Area Two Project; (e) contracts with engineers, architects, land planners, landscape architects, consultants, contractors, and suppliers for or relating to the construction of the Assessment Area Two Project; (f) all prepaid impact fees and impact fee credits; and (g) all future creations, changes, extensions, revisions, modifications, substitutions, and replacements of any of the foregoing. The Development Rights specifically exclude any portion of the Development Rights listed above which relate solely to Lots (as defined in the Assessment Area Two Collateral Assignment) or any property which has been or is in the future conveyed to the County, the District, any utility provider, any unaffiliated homebuilder, any governmental or quasi-governmental entity, any applicable homeowner's association or other governing entity or association as may be required by applicable permits, approvals, plats, entitlements or regulations affecting the District, if any, or to end user residents.

Notwithstanding the above provisions to the contrary, in the event the District forecloses on the respective lands subject to the Series 2017 Special Assessments as a result of the Developer's or any subsequent landowners failure to pay such assessments, there is a risk that the District will not have all permits and entitlements necessary to complete the respective Projects or the development of District Lands. See "BONDOWNERS' RISKS" and "THE DEVELOPMENT" herein.

Master Indenture Provisions Relating to Bankruptcy of Developer or Other Obligated Person

The Master Indenture contains the following provisions which, pursuant to the Master Indenture, shall be applicable both before and after the commencement, whether voluntary or involuntary, of any case, proceeding or other action by or against the Developer or other "obligated" person (as defined in the Continuing Disclosure Agreement) (herein, a "Landowner") 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"). For as long as any Series 2017 Bonds remain Outstanding, in any Proceeding involving the District, any Landowner, or the Series 2017 Special Assessments, the District shall be obligated to act in accordance with direction from the Trustee and the Trustee shall be obligated to act in accordance with the direction from the Beneficial Owners of at least twenty-five percent (25%) of the aggregate principal amount of all Outstanding Series 2017 Bonds of a Series with regard to all matters directly or indirectly affecting such Series of Series 2017 Bonds.

The District acknowledges and agrees that, although the Series 2017 Bonds will be issued by the District, the Beneficial Owners of such Series 2017 Bonds are categorically the party with a financial stake in the repayment of the Series 2017 Bonds and, consequently, the party with a vested interest in a Proceeding. In the event of any Proceeding involving any Landowner (a) 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 applicable Series 2017 Special Assessments, the applicable Series of Series 2017 Bonds or any rights of the Trustee with respect to the Master Indenture or applicable Series of Series 2017 Bondholders under the respective Indentures that is inconsistent with any direction from the Trustee, (b) the Trustee shall have the right, but is not obligated to, vote in any such Proceeding any and all claims of the District relating to the applicable Series 2017 Special Assessments or the applicable Series of Series 2017 Bonds, and, if the Trustee chooses to exercise such right, the District shall be deemed to have appointed the Trustee as its agent and granted to the Trustee an irrevocable power of attorney coupled with an interest, and its proxy, for the purpose of exercising any and all rights and taking any and all actions available to the District in connection with any Proceeding of any Landowner, including without limitation, the right to file and/or prosecute any claims, to vote to accept or reject a plan, and to make any election under Section 1111(b) of the Bankruptcy Code and (c) the District shall not challenge the validity or amount of any claim submitted in such Proceeding by the Trustee in good faith or any valuations of any lands submitted by the Trustee in good faith in such Proceeding or take any other action in such Proceeding, which is adverse to Trustee's enforcement of the District's claim with respect to the applicable Series 2017 Special Assessments 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 Series 2017 Special Assessments, (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. See "BONDOWNERS' RISKS – Bankruptcy Risks" herein for more information.

Events of Default and Remedies

The Indentures provide that each of the following shall be an "Event of Default" under the Indentures, with respect to a Series of the Series 2017 Bonds:

(a) if payment of any installment of interest on any Series 2017 Bond is not made when it becomes due and payable; or

(b) if payment of the principal or Redemption Price of any Series 2017 Bond is not made when it becomes due and payable at maturity or upon call or presentation for redemption; or

(c) if the District, for any reason, fails in, or is rendered incapable of, fulfilling its obligations under the Indentures or under the Act which may be determined solely by the Majority Holders; or

(d) if the District proposes or makes an assignment for the benefit of creditors or enters into a composition agreement with all or a material part of its creditors, or a trustee, receiver, executor,

conservator, liquidator, sequestrator or other judicial representative, similar or dissimilar, is appointed for the District or any of its assets or revenues, or there is commenced any proceeding in liquidation, bankruptcy, reorganization, arrangement of debts, debtor rehabilitation, creditor adjustment or insolvency, local, state or federal, by or against the District and if such is not vacated, dismissed or stayed on appeal within ninety (90) days; or

(e) if the District defaults in the due and punctual performance of any other covenant in the Indentures or in the applicable Series of the Series 2017 Bonds and such default continues for sixty (60) days after written notice requiring the same to be remedied shall have been given to the District by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Majority Holders of the Outstanding Bonds of such Series; provided, however, that if such performance requires work to be done, actions to be taken, or conditions to be remedied, which by their nature cannot reasonably be done, taken or remedied, as the case may be, within such sixty (60) day period, no Event of Default shall be deemed to have occurred or exist if, and so long as, the District shall commence such performance within such sixty (60) day period and shall diligently and continuously prosecute the same to completion; or

(f) if at any time the amount in a Series Reserve Account is less than the applicable Series Reserve Requirement as a result of the Trustee withdrawing an amount therefrom to satisfy the Debt Service Requirement on such Series of Series 2017 Bonds and such amount has not been restored within thirty (30) days of such withdrawal; or

(g) more than twenty percent (20%) of the "maintenance special assessments" levied by the District on District Lands upon which the Series 2017 Special Assessments are levied to secure the Series 2017 Bonds pursuant to Section 190.021(3), Florida Statutes, as amended, and collected directly by the District have become due and payable and have not been paid, within ninety (90) days when due.

The Trustee shall not be required to rely on any official action, admission or declaration by the District before recognizing that an Event of Default under (e) above has occurred.

No Series 2017 Bonds shall be subject to acceleration. Upon the occurrence and continuance of an Event of Default with respect to a Series of Series 2017 Bonds, no optional redemption or extraordinary mandatory redemption of such Series of Series 2017 Bonds pursuant to the Indentures shall occur unless all of the Bonds of such Series of Series 2017 Bonds where an Event of Default has occurred will be redeemed or 100% of the Holders of the such Series of Series 2017 Bonds agree to such redemption.

If any Event of Default with respect to a Series of the Series 2017 Bonds has occurred and is continuing, the Trustee, in its discretion may, and upon the written request of the Majority Holders of the applicable Series of Outstanding Series 2017 Bonds and receipt of indemnity to its satisfaction shall, in its capacity as Trustee:

(a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Holders of the applicable Series of Series 2017 Bonds, including, without limitation, the right to require the District to carry out any agreements with, or for the benefit of, the Bondholders of Bonds of such Series of Series 2017 Bonds and to perform its or their duties under the Act;

(b) bring suit upon the applicable Series of Series 2017 Bonds;

(c) by action or suit in equity require the District to account as if it were the trustee of an express trust for the Holders of the applicable Series of Series 2017 Bonds;

(d) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of the applicable Series of Series 2017 Bonds; and

(e) by other proceeding in law or equity, exercise all rights and remedies provided for by any other document or instrument securing the applicable Series of Series 2017 Bonds.

If any proceeding taken by the Trustee on account of any Event of Default is discontinued or is determined adversely to the Trustee, then the District, the Trustee, the applicable Paying Agent and the Bondholders shall be restored to their former positions and rights under the Indentures as though no such proceeding had been taken.

The Majority Holders of the applicable Series of Series 2017 Bonds then subject to remedial proceedings under the applicable Indenture shall have the right to direct the method and place of conducting all remedial proceedings by the Trustee under the applicable Indenture, provided that such directions shall not be otherwise than in accordance with applicable law or the provisions of the Indentures.

No Bondholder shall have any right to pursue any remedy under the applicable Indenture unless (a) the Trustee shall have been given written notice of an Event of Default, (b) the Majority Holders of the applicable Series of Series 2017 Bonds shall have requested the Trustee, in writing, to exercise the powers granted in such Indenture or to pursue such remedy in its or their name or names, (c) the Trustee shall have been offered indemnity satisfactory to it against costs, expenses and liabilities, and (d) the Trustee shall have failed to comply with such request within a reasonable time.

Anything in the Indentures to the contrary notwithstanding, the District will acknowledge in the Indentures that, upon the occurrence of an Event of Default, (i) with respect to the Series 2017 Bonds, the Pledged Revenues related to such Series include, without limitation, all amounts on deposit in the related Series Acquisition and Construction Account of the Acquisition and Construction Fund then held by the Trustee, (ii) with respect to each Series of Series 2017 Bonds, the Pledged Revenues related to such Series may not be used by the District without the consent of the Majority Holders, and (iii) with respect to each Series of Series 2017 Bonds, the Pledged Revenues related to such Series may be used by the Trustee, at the direction or with the approval of the Majority Holders, to pay the reasonable costs and expenses incurred in connection with the pursuit of remedies under the applicable Indenture. The District will also acknowledge and agree that, from and after an Event of Default, the Trustee is authorized to exercise the District's rights under the applicable Collateral Assignment at the direction of the Majority Holders of the affected Series of Series 2017 Bonds, but without the consent or approval of the District, and the District will covenant not to enter into any contract regarding the acquisition or construction of the applicable Project from and after an occurrence of an Event of Default without the written direction of the Majority Holders of the affected Series of Series 2017 Bonds.

ENFORCEMENT OF ASSESSMENT COLLECTIONS

General

The primary source of payment for the each Series of the Series 2017 Bonds is the respective Series of Series 2017 Special Assessments imposed on certain lands in the District specially benefited by the applicable Projects pursuant to the Assessment Proceedings. See "ASSESSMENT METHODOLOGY" herein and "APPENDIX D: ASSESSMENT METHODOLOGY" attached hereto.

The determination, order, levy, and collection of Series 2017 Special Assessments must be done in compliance with procedural requirements and guidelines provided by State law. Failure by the District,

the Lake County Tax Collector (the "Tax Collector") or the Lake County Property Appraiser (the "Property Appraiser") to comply with such requirements could result in delay in the collection of, or the complete inability to collect, Series 2017 Special Assessments during any year. Such delays in the collection of any Series of Series 2017 Special Assessments, or complete inability to collect any Series of the Series 2017 Special Assessments, would have a material adverse effect on the ability of the District to make full or punctual payment of the debt service requirements on such Series 2017 Bonds. See "BONDOWNERS' RISKS." To the extent that Developer fail to pay the Series 2017 Special Assessments, delay payments, or are unable to pay the same, the successful pursuance of collection procedures available to the District is essential to continued payment of principal of and interest on the Series 2017 Bonds. The Act provides for various methods of collection of delinquent Series 2017 Special Assessments by reference to other provisions of the Florida Statutes. See "BONDOWNERS' RISKS" herein. The following is a description of certain statutory provisions of assessment payment and collection procedures appearing in the Florida Statutes but is qualified in its entirety by reference to such statutes.

Alternative Uniform Tax Collection Procedure for Series 2017 Special Assessments

Initially the Developer and any subsequent landowners will directly pay the Series 2017 Special Assessments to the District. As residential parcels within the District lands are platted, the Series 2017 Special Assessments will be collected pursuant to the Uniform Method (as hereinafter defined) of collection. At such time as the Series 2017 Special Assessments are collected pursuant to the Uniform Method of collection, the provisions of this section shall be come applicable. The Florida Statutes provide that, subject to certain conditions, non-ad valorem special assessments may be collected by using the uniform method (the "Uniform Method") of collection. The Uniform Method of collection is available only in the event the District complies with statutory and regulatory requirements and enters into agreements with the Tax Collector and Property Appraiser providing for the Series 2017 Special Assessments to be levied and then collected in this manner. The District's election to use a certain collection method with respect to the Series 2017 Special Assessments does not preclude it from electing to use another collection method in the future. See "Foreclosure" below with respect to collection of delinquent assessments not collected pursuant to the Uniform Method.

If the Uniform Method of collection is utilized with respect to a Series of Series 2017 Special Assessments, the Series 2017 Special Assessments will be collected together with County, special district, and other ad valorem taxes and non-ad valorem assessments, all of which will appear on the tax bill (also referred to as a "tax notice") issued to each landowner in the District. The statutes relating to enforcement of ad valorem taxes and non-ad valorem assessments provide that such taxes and assessments become due and payable on November 1 of the year when assessed, or as soon thereafter as the certified tax roll is received by the Tax Collector, and constitute a lien upon the land from January 1 of such year until paid or barred by operation of law. Such taxes and assessments (including the Series 2017 Special Assessments, if any, being collected by the Uniform Method) are to be billed, and landowners in the District are required to pay all such taxes and assessments, without preference in payment of any particular increment of the tax bill, such as the increment owing for the Series 2017 Special Assessments. Upon any receipt of moneys by the Tax Collector from the Series 2017 Special Assessments, such moneys will be delivered to the District, which will remit such Series 2017 Special Assessments to the Trustee for deposit to the applicable Revenue Account within the Revenue Fund, except that any Prepayments of Series 2017 Special Assessments shall be deposited to the Series Prepayment Subaccount within the applicable Bond Redemption Account of the Bond Redemption Fund created under the Indentures and applied in accordance therewith.

All County, school and special district, including the District, ad valorem taxes, non-ad valorem special assessments, including the Series 2017 Special Assessments, and voter-approved ad valorem taxes

levied to pay principal of and interest on bonds, are payable at one time, except for partial payment schedules as may be provided by Sections 197.374 and 197.222, Florida Statutes. Partial payments made pursuant to Sections 197.374 and 197.222, Florida Statutes, are distributed in equal proportion to all taxing districts and levying authorities applicable to that account. If a taxpayer does not make complete payment of the total amount, he or she cannot designate specific line items on his or her tax bill as deemed paid in full. In such cases, the tax Collector does not accept such partial payment and the partial payment is returned to the taxpayer. Therefore, in the event any of the Series of the Series 2017 Special Assessments are to be collected pursuant to the Uniform Method, any failure to pay any one line item, would cause such Series of the Series 2017 Special Assessments to not be collected to that extent, which could have a significant adverse effect on the ability of the District to make full or punctual payment of the debt service requirements on the applicable Series of the Series 2017 Bonds.

Under the Uniform Method, if the Series 2017 Special Assessments are paid during November when due or during the following three months, the taxpayer is granted a variable discount equal to 4% in November and decreasing one percentage point per month to 1% in February. All unpaid taxes and assessments become delinquent on April 1 of the year following assessment. The Tax Collector is required to collect the ad valorem taxes and non-ad valorem special assessments on the tax bill prior to April 1 and, after that date, to institute statutory procedures upon delinquency to collect such taxes and assessments through the sale of "tax certificates," as discussed below. Delay in the mailing of tax notices to taxpayers may result in a delay throughout this process.

Neither the District nor the Underwriter can give any assurance to the holders of the Series 2017 Bonds (1) that the past experience of the Tax Collector with regard to tax and special assessment delinquencies is applicable in any way to the Series 2017 Special Assessments, (2) that future landowners and taxpayers in the District will pay such Series 2017 Special Assessments, (3) that a market may exist in the future for tax certificates in the event of sale of such certificates for taxable units within the District, and (4) that the eventual sale of tax certificates for real property within the District, if any, will be for an amount sufficient to pay amounts due under the Assessment Proceedings to discharge the lien of the Series 2017 Special Assessments and all other liens that are coequal therewith.

Collection of delinquent Series 2017 Special Assessments under the Uniform Method is, in essence, based upon the sale by the Tax Collector of "tax certificates" and remittance of the proceeds of such sale to the District for payment of the Series 2017 Special Assessments due. In the event of a delinquency in the payment of taxes and assessments on real property, the landowners may, prior to the sale of tax certificates, pay the total amount of delinquent ad valorem taxes and non-ad valorem assessments plus the cost of advertising and the applicable interest charge on the amount of such delinquent taxes and assessments. If such landowner does not act, the Tax Collector is required to attempt to sell tax certificates on such property to the person who pays the delinquent taxes and assessments owing, penalties and interest thereon and certain costs, and who accepts the lowest interest rate per annum to be borne by the certificates (but not more than 18%). Tax certificates are sold by public bid. If there are no bidders, the tax certificate is issued to the County. The County is to hold, but not pay for, the tax certificate with respect to the property, bearing interest at the maximum legal rate of interest (currently 18%). The Tax Collector does not collect any money if tax certificates are "struck off" (issued) to the County. The County may sell such certificates to the public at any time at the principal amount thereof plus interest at the rate of not more than 18% per annum and a fee. Proceeds from the sale of tax certificates are required to be used to pay taxes and assessments (including the Series 2017 Special Assessments), interest, costs and charges on the real property described in the certificate. The demand for such certificates is dependent upon various factors, which include the rate of interest that can be earned by ownership of such certificates and the underlying value of the land that is the subject of such certificates and which may be subject to sale at the demand of the certificate holder. Therefore, the underlying market value of the property within the District may affect the demand for certificates and the successful

collection of the Series 2017 Special Assessments, which are the primary source of payment of the Series 2017 Bonds. Legal proceedings under Federal bankruptcy law brought by or against a landowner who has not yet paid his or her property taxes or assessments would likely result in a delay in the sale of tax certificates.

Any tax certificate in the hands of a person other than the County may be redeemed and canceled, in whole or in part (under certain circumstances), at any time before a tax deed is issued or the property is placed on the list of lands available for sale, at a price equal to the face amount of the certificate or portion thereof together with all interest, costs, charges and omitted taxes due. Regardless of the interest rate actually borne by the certificates, persons redeeming tax certificates must pay a minimum interest rate of 5%, unless the rate borne by the certificates is zero percent. The proceeds of such a redemption are paid to the Tax Collector who transmits to the holder of the tax certificate such proceeds less service charges, and the certificate is canceled. Redemption of tax certificates held by the County is effected by purchase of such certificates from the County, as described in the preceding paragraph.

Any holder, other than the County, of a tax certificate that has not been redeemed has seven years from the date of issuance of the tax certificate during which to act against the land that is the subject of the tax certificate. After an initial period ending two years from April 1 of the year of issuance of a certificate, during which period actions against the land are held in abeyance to allow for sales and redemptions of tax certificates, and before the expiration of seven years from the date of issuance, the holder of a certificate may apply for a tax deed to the subject land. The applicant is required to pay to the Tax Collector at the time of application all amounts required to redeem or purchase all outstanding tax certificates covering the effected land, plus interest, any omitted taxes or delinquent taxes and interest, and current taxes, if due. If the County holds a tax certificate on property valued at $5,000 or more and has not succeeded in selling it, the County must apply for a tax deed two years after April 1 of the year of issuance of the certificate. The County pays costs and fees to the Tax Collector but not any amount to redeem any other outstanding certificates covering the land. Thereafter, the property is advertised for public sale.

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

Except for certain governmental liens and certain restrictive covenants and restrictions, no right, interest, restriction or other covenant survives the issuance of a tax deed. Thus, for example, outstanding mortgages on property subject to a tax deed would be extinguished.

If there are no bidders at the public sale, the County may, at any time within ninety (90) days from the date of offering for public sale, purchase the land without further notice or advertising for a statutorily prescribed opening bid. After ninety (90) days have passed, any person or governmental unit may purchase the land by paying the amount of the opening bid. Ad valorem taxes and non-ad valorem assessments accruing after the date of public sale do not require repetition of the bidding process but are added to the minimum bid. Three years from the date of delinquency, unsold lands escheat to the County in which they are located and all tax certificates and liens against the property are canceled and a deed is executed vesting title in the governing board of such County.

Foreclosure

The following discussion regarding foreclosure is not applicable if the Series 2017 Special Assessments are being collected pursuant to the Uniform Method. In the event that the District, itself, directly levies and enforces, pursuant to Chapters 170 and 190, Florida Statutes, the collection of the Series 2017 Special Assessments levied on the land within the District, Chapter 170.10, Florida Statutes provides that upon the failure of any property owner to pay all or any part of the principal of a special assessment, including a Series 2017 Special Assessment of one or both Series, or the interest thereon, when due, the governing body of the entity levying the assessment is authorized to commence legal proceedings for the enforcement of the payment thereof, including commencement of an action in chancery, commencement of a foreclosure proceeding in the same manner as the foreclosure of a real estate mortgage, or commencement of an action under Chapter 173, Florida Statutes relating to foreclosure of municipal tax and special assessment liens. Such a proceeding is in rem, meaning that it is brought against the land not against the owner. In light of the one year tolling period required before the District may commence a foreclosure action under Chapter 173, Florida Statutes, it is likely the District would commence an action to foreclose in the same manner as the foreclosure of a real estate mortgage rather than proceeding under Chapter 173, Florida Statutes.

Enforcement of the obligation to pay Series 2017 Special Assessments and the ability to foreclose the liens of such Series 2017 Special Assessments upon the failure to pay such Series 2017 Special Assessments may not be readily available or may be limited as such enforcement is dependent upon judicial action which is often subject to discretion and delay.

BONDOWNERS' RISKS

There are certain risks inherent in an investment in bonds issued by a public authority or governmental body in the State and secured by special assessments. Certain of these risks are described in other sections of this Limited Offering Memorandum. Certain additional risks are associated with the Series 2017 Bonds offered hereby and are set forth below. Prospective investors in the Series 2017 Bonds should have such knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of an investment in the Series 2017 Bonds and have the ability to bear the economic risks of such prospective investment, including a complete loss of such investment. This section does not purport to summarize all risks that may be associated with purchasing or owning the Series 2017 Bonds, and prospective purchasers are advised to read this Limited Offering Memorandum in its entirety for a more complete description of investment considerations relating to the Series 2017 Bonds.

Concentration of Land Ownership

As of the date of delivery of the Series 2017 Bonds, the Developer own all of the assessable lands within the District, portions of which lands will initially be subject to the Assessment Area One Special Assessments, the Assessment Area Two-1 Special Assessments and the Assessment Area Two-2 Special

Assessments securing the Assessment Area One Bonds, the Assessment Area Two-1 Bonds and the Assessment Area Two-2 Bonds, respectively. Payment of the Series 2017 Special Assessments is primarily dependent upon their timely payment by the Developer and the other future landowners owning lands subject to the Series 2017 Assessments. Non-payment of any Series of the Series 2017 Special Assessments by any of the landowners would have a substantial adverse impact upon the District's ability to pay debt service on the related Series of Series 2017 Bonds. See "THE LANDOWNERS" and "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2017 BONDS" herein.

THE ASSESSMENT AREA ONE BONDS, THE ASSESSMENT AREA TWO-1 BONDS AND THE ASSESSMENT AREA TWO-2 BONDS ARE SEPARATELY SECURED BY THE ASSESSMENT AREA ONE INDENTURE, THE ASSESSMENT AREA TWO-1 INDENTURE AND THE ASSESSMENT AREA TWO-2 INDENTURE, RESPECTIVELY.

Bankruptcy Risks

In the event of the institution of bankruptcy or similar proceedings with respect to any of the Developer or any other future owner of benefited property, delays could occur in the payment of debt service on the Series 2017 Bonds, as such bankruptcy could negatively impact the ability of: (i) the Developer and any other landowners to pay the Series 2017 Special Assessments; (ii) the Tax Collector to sell tax certificates in relation to such property with respect to the Series 2017 Special Assessments being collected pursuant to the Uniform Method; and (iii) the District to foreclose the lien of the Series 2017 Special Assessments not being collected pursuant to the Uniform Method. In addition, the remedies available to the Owners of each Series of the Series 2017 Bonds under the applicable Indentures are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, the remedies specified by federal, state and local law and in the Indentures and the Series 2017 Bonds, including, without limitation, enforcement of the obligation to pay Series 2017 Special Assessments and the ability of the District to foreclose the liens of the Series 2017 Special Assessments if not being collected pursuant to the Uniform Method, may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2017 Bonds (including Bond Counsel's approving opinions) will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery. The inability, either partially or fully, to enforce remedies available with respect to a Series of Series 2017 Bonds could have a material adverse impact on the interest of the Owners thereof.

A 2011 bankruptcy court decision in Florida held that the governing body of a community development district, and not the bondholders or indenture trustee, was the creditor of the landowners/debtors in bankruptcy with respect to claims for special assessments, and thus only the district could vote to approve or disapprove a reorganization plan submitted by the debtors in the case. The district voted in favor of the plan. The governing body of the district was at that time elected by the landowners rather than qualified electors. Under the reorganization plan that was approved, a two-year moratorium was placed on the debtor landowners' payment of special assessments. As a result of this non-payment of assessments, debt service payments on the district's bonds were delayed for two years or longer. The Master Indenture provides for the delegation of certain rights from the District to the Trustee in the event of a bankruptcy or similar proceeding with respect to an "obligated" person. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2017 BONDS – Master Indenture Provisions Relating to Bankruptcy of Developer or Other Obligated Person" The District cannot express any view whether such delegation would be enforceable.

Series 2017 Special Assessments Are Non-Recourse

The principal security for the payment of the principal and interest on each Series of the Series 2017 Bonds is the timely collection of the corresponding Series 2017 Special Assessments. The Series 2017 Special Assessments do not constitute a personal indebtedness of the landowners of the land subject thereto, but are secured by a lien on such land. There is no assurance that the Developer or subsequent landowners will be able to pay the Series 2017 Special Assessments or that they will pay such Series 2017 Special Assessments even though financially able to do so. Neither the Developer nor any other subsequent landowners has any personal obligation to pay the Series 2017 Special Assessments. Neither the Developer nor any other subsequent landowners are guarantors of payment of any Series 2017 Special Assessment, and the recourse for the failure of the Developer or any other subsequent landowners to pay the Series 2017 Special Assessments is limited to the collection proceedings against the land subject to such unpaid Series 2017 Special Assessments, as described herein. Therefore the likelihood of collection of the Series 2017 Special Assessments may ultimately depend on the market value of the land subject to such Series 2017 Special Assessments. While the ability of the Developer or subsequent landowners to pay Series 2017 Special Assessments is a relevant factor, the willingness of the Developer or subsequent landowners to pay the taxes, which may also be affected by the value of the land subject to taxation, is also an important factor in the collection of Series 2017 Special Assessments. The failure of the Landowner(s) or subsequent landowners to pay the Series 2017 Special Assessments could render the District unable to collect delinquent Series 2017 Special Assessments, if any, and provided such delinquencies are significant, could negatively impact the ability of the District to make the full or punctual payment of debt service on the corresponding Series of Series 2017 Bonds.

Regulatory and Environmental Risks

The development of the District Lands is subject to comprehensive federal, state and local regulations and future changes to such regulations. Approval is required from various public agencies in connection with, among other things, the design, nature and extent of planned improvements, both public and private, and construction of the infrastructure in accordance with applicable zoning, land use and environmental regulations. Although all such approvals required to date have been received and any further approvals are anticipated to be received as needed, failure to obtain any such approvals in a timely manner could delay or adversely affect the completion of the development of the District lands. See "THE DEVELOPMENT – Zoning and Permitting," herein for more information.

The value of the land within the District, the success of the Development and the likelihood of timely payment of principal and interest on the Series 2017 Bonds could be affected by environmental factors with respect to the land in the District. Should the land be contaminated by hazardous materials, this could materially and adversely affect the value of the land in the District, which could materially and adversely affect the success of the development of the lands within the District and the likelihood of the timely payment of the Series 2017 Bonds. The District has not performed, nor has the District requested that there be performed on its behalf, any independent assessment of the environmental conditions within the District. See "THE DEVELOPMENT – Environmental" for information on environmental site assessments obtained or received. It is possible that hazardous environmental conditions could exist within the District or in the vicinity of the District and that such conditions could have a material and adverse impact upon the value of the benefited lands within the District. No assurance can be given that unknown hazardous materials, protected animals or vegetative species, etc., do not currently exist or may not develop in the future, whether originating within the District or from surrounding property, and what effect such may have on the development or sale of the District Lands.

Economic Conditions and Changes in Development Plans

The successful development of the District Lands and the sale of residential units therein, once such homes are built, and the development and sale of the commercial properties within the Development may be affected by unforeseen changes in general economic conditions, fluctuations in the real estate market and other factors beyond the control of the Developer. Moreover, the Developer has the right to modify or change their plans for development of the District from time to time, including, without limitation, land use changes, changes in the overall land and phasing plans, and changes to the type, mix, size and number of units and commercial properties to be developed, and may seek in the future, in accordance with and subject to the provisions of the Act, to contract or expand the boundaries of the District.

Other Taxes and Assessments

The willingness and/or ability of an owner of benefited land to pay the Series 2017 Special Assessments could be affected by the existence of other taxes and assessments imposed upon such property by the District, the County or any other local special purpose or general purpose governmental entities. County, school, special district taxes and special assessments, and voter-approved ad valorem taxes levied to pay principal of and interest on debt, including the Series 2017 Special Assessments, collected pursuant to the Uniform Method are payable at one time. Public entities whose boundaries overlap those of the District, could, without the consent of the owners of the land within the District, impose additional taxes on the property within the District. The District anticipates imposing operation and maintenance assessments encumbering the same property encumbered by the Series 2017 Special Assessments. In addition, lands within the District may also be subject to assessments by property and homeowner associations. See "THE DEVELOPMENT – Taxes, Fees and Assessments" for additional information.

Limited Secondary Market for Series 2017 Bonds

The Series 2017 Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Series 2017 Bonds in the event an Owner thereof determines to solicit purchasers of the Series 2017 Bonds. Because the Series 2017 Bonds are being sold pursuant to exemptions from registration under applicable securities laws, no secondary market may develop and an owner may not be able to resell the Series 2017 Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Series 2017 Bonds may be sold. Such price may be lower than that paid by the current Owners of each Series of the Series 2017 Bonds, depending on the progress of development of the Development and its various parcels, existing real estate and financial market conditions and other factors.

Inadequacy of Reserve Accounts

Some of the risk factors discussed herein, which, if materialized, would result in a delay in the collection of the Series 2017 Special Assessments, may not adversely affect the timely payment of debt service on a Series of Series 2017 Bonds because of the Reserve Accounts corresponding to each Series. The ability of the Series Reserve Accounts to fund deficiencies caused by delinquencies in the corresponding Series 2017 Special Assessments is dependent on the amount, duration and frequency of such deficiencies. Moneys on deposit in each Reserve Account may be invested in certain obligations permitted under the applicable Indenture. Fluctuations in interest rates and other market factors could affect the amount of moneys in each Reserve Account to make up deficiencies. If the District has difficulty in collecting the Series 2017 Special Assessments, the Reserve Accounts could be rapidly depleted and the ability of the District to pay debt service on the corresponding Series of Series 2017

Bonds could be materially adversely affected. In addition, during an Event of Default under either or both of the Indentures, the Trustee may withdraw moneys from the applicable Reserve Account and such other Funds, Accounts and subaccounts created under the applicable Indenture to pay its extraordinary fees and expenses incurred in connection with such Event of Default. If in fact a Reserve Account is accessed for any purpose, the District does not have a designated revenue source for replenishing such account. Moreover, the District may not be permitted to re-assess real property then burdened by the corresponding Series 2017 Special Assessments in order to provide for the replenishment of the applicable Reserve Account. THE ASSESSMENT AREA ONE RESERVE ACCOUNT IS NOT AVAILABLE TO PAY DEBT SERVICE ON THE ASSESSMENT AREA TWO-1 BONDS OR THE ASSESSMENT AREA TWO-2 BONDS, AND THE ASSESSMENT AREA TWO-1 RESERVE ACCOUNT IS NOT AVAILABLE TO PAY DEBT SERVICE ON THE ASSESSMENT AREA ONE BONDS OR THE ASSESSMENT AREA TWO-2 BONDS, AND THE ASSESSMENT AREA TWO-2 RESERVE ACCOUNT IS NOT AVAILABLE TO PAY DEBT SERVICE ON THE ASSESSMENT AREA ONE BONDS OR THE ASSESSMENT AREA TWO-1 BONDS. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2017 BONDS – Reserve Accounts" herein for more information about the Reserve Accounts.

Legal Delays

If the District should commence a foreclosure action against a landowner for nonpayment of either or both Series of Series 2017 Special Assessments, such landowners and/or their mortgagees may raise affirmative defenses to such foreclosure action. Although the District expects that such affirmative defenses would likely be proven to be without merit, they could result in delays in completing the foreclosure action. In addition, the District is required under the Indentures to fund the costs of such foreclosure. It is possible that the District will not have sufficient funds and will be compelled to request the Holders of the corresponding Series of Series 2017 Bonds to allow funds on deposit under the related Indenture to be used to pay the costs of the foreclosure action. Under the Code, there are limitations on the amounts of proceeds from each Series of Series 2017 Bond that can be used for such purpose.

IRS Examination and Audit Risk

The Internal Revenue Service (the "IRS") routinely examines bonds issued by state and local governments, including bonds issued by community development districts. The IRS recently concluded its lengthy examination of certain issues of bonds (for purposes of this subsection, the "Audited Bonds") issued by Village Center Community Development District (the "Village Center CDD"). During the course of the audit of the Audited Bonds, Village Center CDD received a ruling dated May 30, 2013, in the form of a non-precedential technical advice memorandum ("TAM") concluding that Village Center CDD is not a political subdivision for purposes of Section 103(a) of the Code because Village Center CDD was organized and operated to perpetuate private control and avoid indefinitely responsibility to an electorate, either directly or through another elected state or local government body. Such a conclusion could lead to the further conclusion that the interest on the Audited Bonds was not excludable from gross income of the owners of such bonds for federal income tax purposes. Village Center CDD received a second TAM dated June 17, 2015, which granted relief to Village Center CDD from retroactive application of the IRS's conclusion regarding its failure to qualify as a political subdivision. Prior to the conclusion of the audits, the Audited Bonds were all refunded with taxable bonds. The audit of the Audited Bonds that were issued for utility improvements were closed without change to the tax exempt status of those Audited Bonds on April 25, 2016, and the audit of the remainder of the Audited Bonds (which funded recreational amenity acquisitions from entities related to the principal landowner in the Village Center CDD) was closed on July 14, 2016, without the IRS making a final determination that the interest on the Audited Bonds in question was required to be included in gross income. However, the IRS letter to the Village Center CDD with respect to this second set of Audited Bonds noted that the Agency

found that the Village Center CDD was not a "proper issuer of tax-exempt bonds" and that those Audited Bonds were private-activity bonds that did not fall in any of the categories that qualify for tax-exemption. Although the TAMs and the letters to the Village Center CDD from the IRS referred to above are addressed to, and binding only on, the IRS and Village Center CDD in connection with the Audited Bonds, they reflect the audit position of the IRS, and there can be no assurance that the IRS would not commence additional audits of bonds issued by other community development districts raising issues similar to the issues raised in the case of the Audited Bonds based on the analysis set forth in the first TAM or on the related concerns addressed in the July 14, 2016 letter to the Village Center CDD.

On February 23, 2016, the IRS published proposed regulations designed to provide prospective guidance with respect to potential private business control of issuers by providing a new definition of political subdivision for purposes of determining whether an entity is an appropriate issuer of bonds the interest on which is excluded from gross income for federal tax purposes. The proposed regulations require that a political subdivision (i) have the power to exercise at least one sovereign power, (ii) be formed and operated for a governmental purpose, and (iii) have a governing body controlled by or have significant uses of its funds or assets otherwise controlled by a government unit with all three sovereign powers or by an electorate that is not controlled by an unreasonably small number of unrelated electors. On March 9, 2016, the IRS released corrections to the transition rules in the proposed regulations providing that the new definition of political subdivision will not apply to bonds issued prior to the general applicability date, which is a date ninety (90) days after the proposed regulations are published in final form in the Federal Register. Accordingly, the proposed regulations, if finalized in their current form, would not be applicable to the Series 2017 Bonds, but may impact future series of bonds planned for the District.

It has been reported that the IRS has closed audits of other community development districts in Florida with no change to such districts' bonds' tax-exempt status, but has advised such districts that such districts must have public electors within five years of the issuance of tax-exempt bonds or their bonds may be determined to be taxable retroactive to the date of issuance. Pursuant to the Act, general elections are not held until the later of six years from the date of establishment of the community development district or the time at which there are at least 250 qualified electors in the district. The District, unlike Village Center CDD, was formed with the intent that it will contain a sufficient number of residents to allow for a transition to control by a general electorate. Currently, all five members of the Board of the District were elected by Developer and none of the members of the Board were elected by qualified electors. The Developer will certify as to its expectations as to the timing of the transition of control of the Board of the District to qualified electors pursuant to the Act, and its expectations as to compliance with the Act by any members of the Board that the Developer elect. Such certification by the Developer does not ensure that such certification shall be determinative of, or may influence the outcome of any audit by the IRS, or any appeal from such audit, that may result in an adverse ruling that the District is not a political subdivision for purposes of Section 103(a) of the Code. Further, there can be no assurance that an audit by the IRS of the Series 2017 Bonds will not be commenced. The District has no reason to believe that any such audit will be commenced, or that any such audit, if commenced, would result in a conclusion of noncompliance with any applicable state or federal law.

The IRS routinely examines bonds issued by state and local governments. Owners of the Series 2017 Bonds are advised that, if the IRS does audit the Series 2017 Bonds, under its current procedures, at least during the early stages of an audit, the IRS will treat the District as the taxpayer, and the Owners of the Series 2017 Bonds may have limited rights to participate in those proceedings. The commencement of such an audit could adversely affect the market value and liquidity of the Series 2017 Bonds until the audit is concluded, regardless of the ultimate outcome. In addition, in the event of an adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2017 Bonds, it is unlikely the District will have available revenues to enable it to contest such determination or enter into a

voluntary financial settlement with the IRS. Further, an adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2017 Bonds would adversely affect the availability of any secondary market for the Series 2017 Bonds. Should interest on the Series 2017 Bonds become includable in gross income for federal income tax purposes, not only will Owners of Series 2017 Bonds be required to pay income taxes on the interest received on such Series 2017 Bonds and related penalties, but because the interest rate on such Series 2017 Bonds will not be adequate to compensate Owners of the Series 2017 Bonds for the income taxes due on such interest, the value of the Series 2017 Bonds may decline.

THE INDENTURES DO NOT PROVIDE FOR ANY ADJUSTMENT IN THE INTEREST RATES ON THE SERIES 2017 BONDS IN THE EVENT OF AN ADVERSE DETERMINATION BY THE IRS WITH RESPECT TO THE TAX-EXEMPT STATUS OF INTEREST ON THE SERIES 2017 BONDS. PROSPECTIVE PURCHASERS OF THE SERIES 2017 BONDS SHOULD EVALUATE WHETHER THEY CAN OWN THE SERIES 2017 BONDS IN THE EVENT THAT THE INTEREST ON THE SERIES 2017 BONDS BECOMES TAXABLE AND/OR THE DISTRICT IS EVER DETERMINED TO NOT BE A POLITICAL SUBDIVISION FOR PURPOSES OF THE CODE AND/OR SECURITIES ACT (AS HEREINAFTER DEFINED).

Loss of Exemption from Securities Registration

Since the Series 2017 Bonds have not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws because of the exemptions for political subdivisions, if the District is ever deemed, by the IRS, judicially or otherwise, not to be a political subdivision for purposes of the Code, it is possible that federal or state regulatory authorities could also determine that the District is not a political subdivision for purposes of the federal and state securities laws. Accordingly, the District and purchasers of Series 2017 Bonds may not be able to rely on the exemption from registration under the Securities Act relating to securities issued by political subdivisions. In that event, the Owners of the Series 2017 Bonds would need to ensure that subsequent transfers of the Series 2017 Bonds are made pursuant to a transaction that is not subject to the registration requirements of the Securities Act.

Federal Tax Reform

Various proposals are mentioned from time to time by members of the Congress of the United States of America and others concerning reform of the internal revenue (tax) laws of the United States. In addition, the Service may, in the future, issue rulings that have the effect of changing the interpretation of existing tax laws. Certain of these proposals and interpretations, if implemented or upheld, could have the effect of diminishing the value of obligations of states and their political subdivisions, such as the Series 2017 Bonds, by eliminating or changing the tax-exempt status of interest on certain of such bonds. Whether any of such proposals will ultimately become or be upheld as law, and if so, the effect such proposals could have upon the value of bonds such as the Series 2017 Bonds, cannot be predicted. However, it is possible that any such law or interpretation could have a material and adverse effect upon the availability of a liquid secondary market and/or the value of the Series 2017 Bonds. See also "TAX MATTERS."

State Tax Reform

It is impossible to predict what new proposals may be presented regarding ad valorem tax reform and/or community development districts during upcoming legislative sessions, whether such new proposals or any previous proposals regarding the same will be adopted by the Florida Senate and House of Representatives and signed by the Governor, and, if adopted, the form thereof. On October 31, 2014,

the Auditor General of the State released a 31-page report which requests legislative action to establish parameters on the amount of bonds a community development district may issue and provide additional oversight for community development district bonds. This report renews requests made by the Auditor General in 2011 that led to the Governor of the State issuing an Executive Order on January 11, 2012 (the "Executive Order") directing the Office of Policy and Budget in the Executive Office of the Governor ("OPB") to examine the role of special districts in the State. As of the date hereof, the OPB has not made any recommendations pursuant to the Executive Order nor has the Florida legislature passed any related legislation. It is impossible to predict with certainty the impact that any existing or future legislation will or may have on the security for the Series 2017 Bonds. It should be noted that Section 190.16(14) of the Act provides in pertinent part that "The state pledges to the holders of any bonds issued under the Act that it will not limit or alter the rights of the district to levy and collect the … assessments… and to fulfill the terms of any agreement made with the holders of such bonds … and that it will not impair the rights or remedies of such holders."

Insufficient Resources or Other Factors Causing Failure to Complete the Projects or the Construction of Homes within the District

There can be no assurance, in the event the District does not have sufficient moneys on hand to complete the Projects, that the District will be able to raise through the issuance of bonds, or otherwise, the moneys necessary to complete the Projects. Further, pursuant to the Indentures, the District will make certain covenants that substantially limit its ability to issue any other bonds or other debt obligations secured by the Series 2017 Special Assessments or other non-ad valorem special assessments on assessable lands within the District. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2017 BONDS – Additional Bonds" for more information.

Further, it is expected that the cost to finish the Projects [may/will] exceed the net proceeds from the Series 2017 Bonds. The Developer will enter into completion agreements to fund or cause to be funded the completion of both Projects to the extent that net proceeds of the applicable series of Series 2017 Bonds are not sufficient to pay for both Projects. There is no assurance that the Developer will have sufficient resources to perform under such completion agreements. Such obligation of the Developer is an unsecured obligation, and the Developer is a special purpose entity whose assets consist primarily of its interests in the District Lands. See "THE DEVELOPER" herein for more information.

Further, there is a possibility that, even if the District is developed, the Builders (as defined herein) may not close on all or any of the parcels and lots subject to the Builder Contracts (as defined herein), and such failure to close could negatively impact the construction of homes in the District. The Builder Contracts may also be terminated by the Builders upon the occurrence or failure to occur of certain conditions set forth therein. See "THE DEVELOPMENT – Builder Contracts" herein for more information about the Builders and the Builder Contracts.

Payment of Series 2017 Special Assessments after Bank Foreclosure

In the event a bank forecloses on property because of a default on a mortgage on any of the assessable lands within the District and then the bank itself fails, the Federal Deposit Insurance Corporation (the "FDIC"), as receiver, will then become the fee owner of such property. In such event, the FDIC will not, pursuant to its own rules and regulations, likely be liable to pay the Series 2017 Special Assessments levied on such property. In addition, the District would require the consent of the FDIC prior to commencing a foreclosure action.

ESTIMATED SOURCES AND USES OF FUNDS

Source of Funds	Assessment Area One Bonds	Assessment Area Two-1 Bonds	Assessment Area Two-2 Bonds
Par Amount			
[Net Original Issue Discount]			
Total Sources			
Use of Funds			
Deposit to applicable Series Acquisition and Construction Account			
Deposit to applicable Series Capitalized Interest Account			
Deposit to applicable Series Reserve Account			
Costs of Issuance, including Underwriter's Discount[(1)]			
Total Uses			

(1) Costs of issuance includes, without limitation, legal fees and other costs associated with the issuance of the Series 2017 Bonds.

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DEBT SERVICE REQUIREMENTS

The following table sets forth the scheduled debt service on the Series 2017 Bonds:

Year Ended November 1	Assessment Area One Bonds		Assessment Area Two-1 Bonds		Assessment Area Two-2 Bonds		Total
	Principal	Interest	Principal	Interest	Principal	Interest	

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THE DISTRICT

General Information

The District was established by Ordinance No. 2016-16, enacted by the Board of County Commissioners of Lake County, Florida (the "County") on April 19, 2016 and effective on April 27, 2016, under the provisions of the Act. The boundaries of the District include approximately [985] gross acres of land (the "District Lands") and is generally located east of U.S. 27 in eastern Lake County (the "County") that are being developed as ["Avalon Groves"] (the "Development"). The Development is being developed in at least three phases and is currently planned for a total of approximately 1,352 housing units, various recreational facilities and an amenity site. See "THE DEVELOPMENT" herein.

Legal Powers and Authority

The District is an independent unit of local government created pursuant to, and established in accordance with, the Act. The Act was enacted in 1980 to provide a uniform method for the establishment of independent districts to manage and finance basic community development services, including capital infrastructure required for community developments throughout the State of Florida. The Act provides legal authority for community development districts (such as the District) to finance the acquisition, construction, operation and maintenance of the major infrastructure for community development pursuant to its general law charter. The District is classified as an independent district under Chapter 189, Florida Statutes.

Among other provisions, the Act gives the District's Board of Supervisors the authority to, among other things, (a) plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate and maintain systems and facilities for, among other things: (i) water management and control for lands within the District and to connect any of such facilities with roads and bridges; (ii) water supply, sewer and waste-water management, reclamation and reuse systems or any combination thereof and to construct and operate connecting intercept or outlet sewers and sewer mains and pipes and water mains, conduits, or pipelines in, along, and under any street, alley, highway, or other public place or ways, and to dispose of any effluent, residue, or other byproducts of such system or sewer system; (iii) District roads equal to or exceeding the specifications of the county in which such District roads are located and street lights, landscaping, hardscaping and undergrounding of electric utility lines; and (iv) with the consent of the local general-purpose government within the jurisdiction of which the power is to be exercised, parks and facilities for indoor and outdoor recreational uses and security; (b) borrow money and issue bonds of the District; (c) impose and foreclose special assessments liens as provided in the Act; and (d) exercise all other powers, necessary, convenient, incidental or proper in connection with any of the powers or duties of the District stated in the Act.

The Act does not empower the District to adopt and enforce any land use plans or zoning ordinances and the Act does not empower the District to grant building permits; these functions are to be performed by general purpose local governments having jurisdiction over the lands within the District.

The Act exempts all property owned by the District from levy and sale by virtue of an execution and from judgment liens, but does not limit the right of any owner of lands of the District to pursue any remedy for enforcement of any lien or pledge of the District in connection with its bonds, including the Series 2017 Bonds.

Board of Supervisors

The governing body of the District is its Board of Supervisors (the "Board"), which is composed of five Supervisors (the "Supervisors"). The Act provides that, at the initial meeting of the Developer,

Supervisors must be elected by the Developer with the two Supervisors receiving the highest number of votes to serve for four years and the remaining Supervisors to serve for a two-year term. Three of the five Supervisors are elected to the Board every two years in November. At such election the two Supervisors receiving the highest number of votes are elected to four-year terms and the remaining Supervisor is elected to a two-year term. Until the later of six (6) years after the initial appointment of Supervisors and the year in which there are at least 250 qualified electors in the District, or such earlier time as the Board may decide to exercise its ad valorem taxing power, the Supervisors are elected by vote of the Developer of the District. Ownership of the land within the District entitles the owner to one vote per acre (with fractions thereof rounded upward to the nearest whole number and, for purposes of determining voting interests, platted lots shall be counted individually and rounded up to the nearest whole acre and shall not be aggregated for determining the number of voting units held). Upon the later of six (6) years after the initial appointment of Supervisors and the year in which there are at least 250 qualified electors in the District, the Supervisors whose terms are expiring will be elected (as their terms expire) by qualified electors of the District, except as described below. A qualified elector is a registered voter who is at least eighteen years of age, a resident of the District and the State of Florida and a citizen of the United States. At the election where Supervisors are first elected by qualified electors, two Supervisors must be qualified electors and be elected by qualified electors, both to four-year terms. Thereafter, as terms expire, all Supervisors must be qualified electors and are elected to serve four-year terms. If there is a vacancy on the Board, whether as a result of the resignation or removal of a Supervisor or because no elector qualifies for a seat to be filled in an election, the remaining Board members are to fill such vacancy for the unexpired term.

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

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

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

Name	**Title**	**Term Expires**
James Harvey*	Chairman	November 2018
Greg Meath*	Vice Chairman	November 2018
David Langhout*	Assistant Secretary	November 2018
Troy Simpson*	Assistant Secretary	November 2018
Brad Walker*	Assistant Secretary	November 2018

* Employee of, or affiliated with, the Developer or an affiliate of the Developer.

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

The District Manager and Other Consultants

The chief administrative official of the District is the District Manager (as hereinafter defined). The Act provides that a district manager has charge and supervision of the works of the District and is responsible for preserving and maintaining any improvement or facility constructed or erected pursuant to the provisions of the Act, for maintaining and operating the equipment owned by the District, and for performing such other duties as may be prescribed by the Board.

The District has retained Development Planning & Financing Group, Inc., Maitland, Florida, to serve as its district manager ("District Manager"). The District Manager's office is located at 1060 Maitland Center, Ste. # 340, Maitland, Florida 32751.

The Act further authorizes the Board to hire such employees and agents as it deems necessary. Thus, the District has employed the services of Greenberg Traurig, P.A., West Palm Beach, Florida, as Bond Counsel; Heidt Design, Tampa, Florida, as District Engineer; and Hopping Green & Sams P.A., Tallahassee, Florida, as District Counsel. The Board has also retained the District Manager to serve as Methodology Consultant and to prepare the Assessment Methodology and to serve as Dissemination Agent for the Series 2017 Bonds.

No Outstanding Indebtedness

The District has not previously issued any bonds or other debt obligations.

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THE CAPITAL IMPROVEMENT PLAN AND THE PROJECTS

In the "Avalon Groves Community Development District Preliminary Engineer's Report" dated October 11, 2016 (the "Engineer's Report"), the District Engineer sets forth certain public infrastructure improvements to be constructed in the District, including certain utilities, drainage and transportation improvements, as well as funding for planning and engineering studies (the "CIP"). The CIP will be implemented in at least phases over multiple years.

The Engineer's Report estimates the overall cost of the CIP to be $45,663,392, a breakdown of which is provided below. See "APPENDIX C: ENGINEER'S REPORT" for more information regarding the improvements.

Item	Assessment Area 1	Assessment Area 2	Assessment Area 3	Totals
Master Infrastructure				
Land Acquisition	$3,715,320	$5,217,120	$4,479,960	$13,412,400
Clearing/Earthwork	2,464,414	2,123,120	1,405,071	5,992,605
Master Stormwater Management	1,719,152	1,481,068	980,164	4,180,384
Master Collector Road (2 lanes, excl. utilities)	1,807,890	1,807,890	1,807,890	5,423,671
Parks and Recreational Facilities/Amenities	100,000	1,862,500	1,862,500	3,825,000
Professional Fees	1,072,500	936,000	624,000	2,632,500
Master Utilities (Water, Wastewater, Reuse)	0	0	0	0
Sub-totals	$10,879,277	$13,427,698	$11,159,585	$35,466,560
Residential Tract Costs				
Roadway (Local Streets)	$1,993,260	$881,910	$1,136,445	$4,011,615
Landscaping, Entry Features and Signs	834,000	720,000	480,000	2,034,000
Sub-totals	$2,827,260	$1,601,910	$1,616,445	$6,045,615
Contingency	$1,370,654	$1,502,961	$1,277,603	$4,151,217
Project Totals	$15,077,190	$16,532,569	$14,053,633	$45,663,392

The Assessment Area One Project [is expected to commence/commenced in _____ 2016] and is expected to be completed in _____, 20__. The Assessment Area Two Project [is expected to commence/commenced in _____ 2016] and is expected to be completed in _____, 20__.

The District Engineer has indicated that all permits necessary to construct the improvements described in the Engineer's Report in the District have been obtained or are expected to be obtained in the ordinary course of development. In addition to the Engineer's Report, please refer to "THE DEVELOPMENT – Development Approvals" for a more detailed description of the entitlement and permitting status of the Development.

It is expected that the net proceeds from the Assessment Area One Bonds available to pay costs of the Assessment Area One Project will be approximately $___ million and that the net proceeds from the Assessment Area Two-1 Bonds and Assessment Area Two-2 Bonds available to pay costs of the Assessment Area Two Project will be approximately $__ million. The Developer will enter into completion agreements to fund or cause to be funded the completion of both Projects to the extent that net proceeds of the applicable series of Series 2017 Bonds are not sufficient to pay for both Projects. See "BONDOWNERS' RISKS – Insufficient Resources or Other Factors Causing Failure to Complete the Projects or the Construction of Homes within the District."

ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS

General

The Master Assessment Methodology Report dated October 27, 2016 (the "Master Methodology") as supplemented by the [Special Assessment Methodology Report dated January ___, 2017] (the "Supplemental Methodology" and together with the Master Methodology, the "Assessment Methodology"), which allocate the Assessment Area One Special Assessments, the Assessment Area Two-1 Special Assessments and the Assessment Area Two-2 Special Assessments to certain lands in the District, has been prepared by Development Planning & Financing Group, Inc., Maitland, Florida (the "Methodology Consultant"). See "EXPERTS" herein for more information. The Assessment Methodology is included herein as APPENDIX D. Once the final terms of the Series 2017 Bonds are determined, the Supplemental Methodology will be revised to reflect such final terms. Once levied and imposed, the Assessment Area One Special Assessments, the Assessment Area Two-1 Special Assessments and the Assessment Area Two-2 Special Assessments are first liens on certain lands within the District against which they are assessed until paid or barred by operation of law, co-equal with one another and with other taxes and assessments levied by the District and other units of government. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" herein.

Assessment Area One

The Assessment Area One Bonds are payable from and secured by a pledge of the Assessment Area One Pledged Revenues which consist primarily of the Assessment Area One Special Assessments. The Assessment Area One Special Assessments are initially being levied on a per acre basis against the approximate ___ gross acres in Assessment Area One. As properties are developed and platted, the Assessment Area One Special Assessments will be assigned to the developed and platted properties in accordance with the Assessment Methodology.

Upon development and platting of the planned 567 lots, the proposed annual Assessment Area One Special Assessments to be levied and allocated to developed and platted units to pay debt service on the Assessment Area One Bonds and the total Assessment Area One Bonds par per unit are as follows, per product type.

Product Type	Units	Assessment Area One Annual Assessments[(1)]	Assessment Area One Bonds Par per Unit[(1)]
Active Adult Duplex	138	$250	
Active Adult 40' Lots	137	250	
Active Adult 50' Lots	292	250	
Total	**567**		

(1) Preliminary, subject to change. Assessment amounts do not include allowance for collection costs and discount for early payment.

Assessment Area Two

The Assessment Area Two-1 Bonds and the Assessment Area Two-2 Bonds are payable from and secured by a pledge of the Assessment Area Two-1 Pledged Revenues and the Assessment Area Two-2 Pledged Revenues, respectively, which consist primarily of the Assessment Area Two-1 Special Assessments and the Assessment Area Two-2 Special Assessments, respectively. As properties are developed and platted, the Assessment Area Two-1 Special Assessments and the Assessment Area Two-2 Special Assessments will be assigned to the developed and platted properties in accordance with the Assessment Methodology.

Upon development and platting of the planned 221 lots, the proposed annual Assessment Area Two-1 Special Assessments and Assessment Area Two-2 Special Assessments to be levied and allocated to developed and platted units to pay debt service on the Assessment Area Two-1 Bonds and the Assessment Area Two-2 Bonds, respectively, and the total Assessment Area Two-1 Bonds and Assessment Areas Two-2 Bonds par per unit are as follows, per product type.

Product Type	Units	AA Two-1 Annual Assessment[1]	AA Two-2 Annual Assessment[2]	Total AA Two-1 & AA Two-2 Annual Assessment per Unit[2]	AA Two-1 Par Per Unit[1]	AA Two-2 Par Per Unit[2]	Total AA Two-1 & AA Two-2 Par per Unit[2]
SF 40'	53	$1,000			$13,404	$13,000	$26,404
SF 50'	65	1,110			14,745	17,000	31,745
SF 50' Gate	38	1,110			14,745	17,000	31,745
SF 60' Gate	65	1,200			16,085	18,000	34,085
Total	**221**						

(1) Preliminary, subject to change. Assessment amounts do not include allowance for collection costs and discount for early payment.

(2) Preliminary, subject to change. Assessment amounts do not include allowance for collection costs and discount for early payment. See "APPENDIX D: ASSESSMENT METHODOLOGY". Series AA Two-2 Annual Assessments are expected to be paid off on lots in connection with closing of such lots by the Developer to homebuilders.

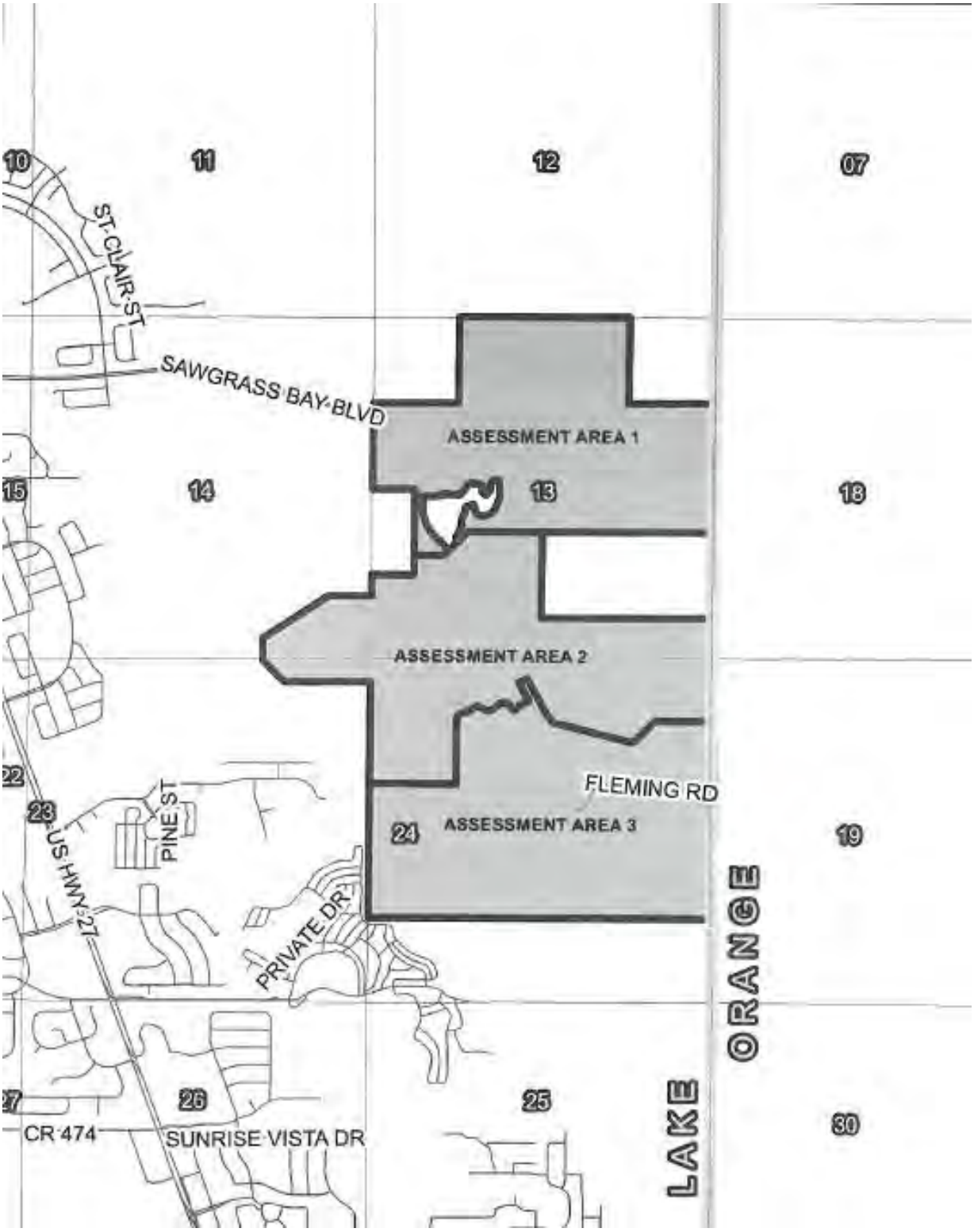
Additional Assessments and Taxes

The District anticipates issuing additional bonds that will be secured by assessments on lands not subject to the Assessment Area One Special Assessments, the Assessment Area Two-1 Special Assessments or the Assessment Area Two-2 Special Assessments. The District also anticipates levying assessments to cover its operation and administrative costs that are initially expected to be $___ per residential unit annually, which amounts are subject to change. The land within the District has been and will continue to be subject to taxes and assessments imposed by taxing authorities other than the District. These taxes would be payable in addition to the Series 2017 Special Assessments and any other assessments levied by the District. In addition, exclusive of voter approved millages levied for general obligation bonds, as to which no limit applies, the County and the School Board of Lake County each levy ad valorem taxes upon the land in the District. The District has no control over the level of ad valorem taxes and/or special assessments levied by other taxing authorities. It is possible that in future

years taxes levied by these other entities could be substantially higher than in the current year. See "THE DEVELOPMENT – Taxes, Fees and Assessments" for more information.

Map of the District and the Assessment Areas

A map of the District follows on the following page.


10
11
12
07
ST CLAIR ST
SAWGRASS BAY BLVD
ASSESSMENT AREA 1
15
14
13
18
ASSESSMENT AREA 2
22
23
PINE ST
US HWY 27
FLEMING RD
24
ASSESSMENT AREA 3
19
PRIVATE DR
LAKE ORANGE
27
26
25
30
CR 474
SUNRISE VISTA DR

The following information appearing below under the captions "THE DEVELOPMENT" and "THE DEVELOPER" has been furnished by the Developer for inclusion in this Limited Offering Memorandum and, although believed to be reliable, such information has not been independently verified by the District or its counsel, or the Underwriter or its counsel, and no person other than the Developer makes any representation or warranty as to the accuracy or completeness of such information supplied by it.

The following information is provided by the Developer as a means for the prospective bondholders to understand the anticipated development plan and risks associated with the Development. The Developer's obligations to pay the Series 2017 Special Assessments are no greater than the obligation of any other subsequent landowner to pay the Series 2017 Special Assessments. The Developer are not a guarantor of payment as to any land within the District and the recourse for the Developer's failure to pay is limited to its ownership interests in the land.

THE DEVELOPMENT

General

The District is being developed as a master-planned community that will be known as ["Avalon Groves,"] (the "Development") and includes approximately [985] gross acres of land (the "District Lands") and is generally located east of U.S. 27 in eastern Lake County (the "County"). [Insert description of commercial.] The Development is being developed in at least three phases and is currently planned for a total of approximately 1,352 housing units, various recreational facilities and an amenity site.

The Developer is the sole landowner in the District. See "THE DEVELOPER" herein for more information. The Developer has entered into contracts with homebuilders to sell developed lots to homebuilders for vertical construction. See "– Builder Contracts" below for additional information on existing contracts. The Developer anticipate that homes in the District will be marketed to both active adult, first-time and move-up homebuyers.

Assessment Areas

Assessment Area One

The Assessment Area One Bonds will be secured by the Assessment Area One Special Assessments initially levied on the approximate ___ gross acres of lands in Assessment Area One. The Developer anticipates developing the Assessment Area One lands into 567 active adult homes.

Assessment Area Two

The Assessment Area Two-1 Bonds and the Assessment Area Two-2 Bonds will be secured by the Assessment Area Two-1 Special Assessments and the Assessment Area Two-2 Special Assessments initially levied on the approximate ___ gross acres of lands in Assessment Area Two. The Developer anticipates developing the Assessment Area Two lands into 221 single family homes.

Other District Lands

The remaining approximate ___ gross acres of District Lands will not be subject to any of the Series 2017 Special Assessments. It is anticipated that the District will issue additional bonds in the future secured by special assessments on such lands.

Land Acquisition

The Developer acquired the lands in the Development along with approximately ___ acres of land outside the District boundaries intended for commercial development on October 12, 2016, for approximately $16.5 million. There are no mortgages on such property except for certain mortgages entered into in connection with Builder Contracts.

Development Plan and Status

Land development in Assessment Area One [is expected to commence/commenced in _____ 2016] and is expected to be completed in _____, 2017. Land development in Assessment Area Two [is expected to commence/commenced in _____ 2016] and is expected to be completed in _____, 2017. [Insert description of work done.]

Development Finance Plan

The Developer anticipates that the total cost to develop Assessment Area One and Assessment Area Two will be approximately $_____ and $_____, respectively. [if different than project costs, provide breakdown of additional costs]. It is expected that the net proceeds from the Assessment Area One Bonds available to pay costs of the Assessment Area One Project will be approximately $___ million and that the net proceeds from the Assessment Area Two-1 Bonds and Assessment Area Two-2 Bonds available to pay costs of the Assessment Area Two Project will be approximately $__ million. The Developer will enter into completion agreements to fund or cause to be funded the completion of both Projects to the extent that net proceeds of the applicable series of Series 2017 Bonds are not sufficient to pay for both Projects. [The remaining costs of developing Assessment Area One and Assessment Area Two are expected to be paid from Developer equity contributions.] See "BONDOWNERS' RISKS – Insufficient Resources or Other Factors Causing Failure to Complete the 2016 Project or the Construction of Homes within Assessment Area One" herein.

Builder Contracts

[Need to confirm which ones are in which Assessment Areas]

Agreement of Sale and Purchase of Lots with Ashton Orlando Residential, L.L.C.

The Developer entered into an Agreement of Sale and Purchase of Lots dated October 13, 2016, (the "Aston Orlando Residential Builder Contract") with Ashton Orlando Residential, L.L.C., a Nevada limited liability company ("Ashton Orlando Residential") for the sale of 55 developed lots within [Phase 1 of Village 2]. The purchase price of the lots will be $63,500 per fifty foot lot and $75,000 per sixty foot lot subject to a purchase price escalator increase of 1% every 90 days. The initial closing date is anticipated to occur on _____, 20__ and commencing six months after the initial closing date, Ashton Orlando Residential is expected to close on a minimum of six developed lots per quarter until all lots have been purchased. Ashton Orlando Residential has made an initial refundable deposit to the escrow agent in the amount of $383,750. The Ashton Orlando Residential Builder Contract is in the inspection period until January [18], 2016, and the deposit will become nonrefundable on such date except in the event of a default by the Developer or if certain conditions are not met. The deposit shall be applied as credit to the purchase price of each lot in the amount of $6,350 per each fifty foot lot and $7,500 per each sixty foot lot. [The deposit is secured by a mortgage on approximately ___ acres in Assessment Area ___ of the District.] The Developer is obligated to build an Amenity Center under the Ashton Orlando Residential Builder Contract with a budget not less than $3 million. Ashton Orlando Residential has a right of first offer for up to 74 additional lots in [Village 2 of Phase 1].

[According to its website, Ashton Homes Residential is headquartered in Atlanta, Georgia and sells new homes in Atlanta, Austin, Charleston, Dallas, Houston, Naples, Orlando, Phoenix, Raleigh, San Antonio, Sarasota and Tampa.]

Lot Purchase Agreement with NVR, Inc. (d/b/a Ryan Homes)

The Developer entered into a Lot Purchase Agreement dated August 8, 2016 (as amended, the "NVR Builder Contract"), with NVR, Inc., a Virginia corporation d/b/a Ryan Homes ("NVR") for the sale of 70 developed lots, consisting of 32 forty foot lots and 38 fifty foot lots. The purchase price of the lots will be $51,000 for each forty foot lot and $62,500 for each fifty foot lot subject to a purchase price escalator increase of 1% every 90 days. NVR has made a deposit to the escrow agent in the amount of $395,000 which deposit is nonrefundable except in the event of a default by the Developer or if certain conditions are not met. The deposit shall be applied as credit to the purchase price of each lot in the amount of $5,000 per each forty foot lot and $6,184 per each fifty foot lot. [The deposit is secured by a mortgage on approximately ___ acres in Assessment Area ___ of the District.] The NVR Builder Contract provides for two lots to be taken down within 15 days after certain development conditions are met (the "Initial Closing Date"). Thereafter, it requires four lots to be taken down within 120 days after the Initial Closing Date and then 10 lots per quarter commencing six months after the Initial Closing Date until all 70 developed lots have been taken down. The Developer is obligated to build an Amenity Center under the NVR Builder Contract with a budget not less than $3 million.

NVR is a Virginia corporation and the parent company of Ryan Homes, NVHomes and Fox Ridge Homes, which construct new homes, NVR Mortgage, which provides a variety of house financing programs, and NVR Settlement Services, which provides settlement and title services. NVR operates in two business segments: house building and mortgage banking. NVR's stock trades on the New York Stock Exchange under the symbol NVR. NVR is subject to the informational requirements of the Securities and Exchange Commission Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements, and other information with the Securities and Exchange Commission (the "SEC"). The file number for NVR is No-0000906163. Such reports, proxy statements, and other information can be inspected and copied at the Public Reference Section of the SEC, Room 1024, 450 Fifth Street NW, Judiciary Plaza, Washington, DC, and at the SEC's internet website at http://www.sec.gov. Copies of such materials can be obtained by mail from the Public Reference Section of the SEC at prescribed rates. All documents subsequently filed by NVR pursuant to the requirements of the Exchange Act after the date of this Limited Offering Memorandum will be available for inspection in the same manner as described above.

Agreement of Sale and Purchase of Lots with Pulte Home Corporation

The Developer entered into an Agreement of Sale and Purchase of Lots dated August 4, 2016 (as amended, the "Pulte Builder Contract") with Pulte Home Corporation ("Pulte) for the sale of 70 developed lots, consisting of 32 forty foot lots and 38 fifty foot lots. The purchase price of the lots will be $50,000 for each forty foot lot and $62,500 for each fifty foot lot subject to a purchase price escalator increase of 1% every 90 days after the one year anniversary of the initial closing. Pulte has made a deposit to the escrow agent in the amount of $397,500 which deposit is nonrefundable except in the event of a default by the Developer or if certain conditions are not met. The deposit shall be applied as credit to the purchase price of each lot in the amount of $5,000 per each forty foot lot and $6,250 per each fifty foot lot. [The deposit is secured by a mortgage on approximately ___ acres in Assessment Area ___ of the District.] The Pulte Builder Contract provides for two lots to be taken down within 15 days after certain development conditions are met (the "Initial Closing Date"). Thereafter, it requires four lots to be taken down within 120 days after the Initial Closing Date and then 10 lots per quarter commencing six months after the Initial Closing Date until all 70 developed lots have been taken down. The Developer is

obligated to build an Amenity Center under the Pulte Builder Contract with a budget not less than $3 million. Pulte has right of first offer to purchase an additional 52 developed lots.

Pulte stock trades on the New York Stock Exchange under the symbol PHM. Pulte is subject to the informational requirements of the Exchange Act and in accordance therewith files reports, proxy statements, and other information with the SEC. The file number for Pulte is No. 1-9804. Such reports, proxy statements, and other information can be inspected and copied at the Public Reference Section of the SEC, Room 100 F Street, N.E., Washington D.C. 20549 and at the SEC's internet website at http://www.sec.gov. Copies of such materials can be obtained by mail from the Public Reference Section of the SEC at prescribed rates. All documents subsequently filed by Pulte. pursuant to the requirements of the Securities and Exchange Commission Act of 1934 after the date of this Limited Offering Memorandum will be available for inspection in the same manner as described above.

Agreement of Sale and Purchase of Lots with Weekley Homes, LLC

The Developer entered into an Agreement of Sale and Purchase of Lots dated August 9, 2016 (as amended, the "Weekley Builder Contract") with Weekley Homes, LLC, a Delaware limited liability company ("Weekley) for the sale of 55 developed lots, consisting of 25 fifty foot gated lots and 30 sixty foot gated lots. The purchase price of the lots will be $63,750 for each fifty foot gated lot and $75,000 for each sixty foot gated lot subject to a purchase price escalator increase of 1% every 90 days after the one year anniversary of the initial closing. Weekley has made an initial deposit to the escrow agent in the amount of [$100,000] which deposit is nonrefundable except in the event of a default by the Developer or if certain conditions are not met. Additional deposits of $50,000 and $157,500 are due on March 1, 2017 and the date all development obligations are completed or waived under the Weekley Builder Contract. The deposit shall be applied as credit to the purchase price of each lot in the amount of $5,100 per each fifty foot gated lot and $6,000 per each sixty foot gated lot. [The deposit is secured by a mortgage on approximately ___ acres in Assessment Area ___ of the District.] The Weekley Builder Contract provides for six lots to be taken down within after certain development conditions are met (the "Initial Closing Date"). Thereafter, it requires six lots to be taken down every three months after the Initial Closing Date until all 55 developed lots have been taken down. The Developer is obligated to build an Amenity Center under the Weekley Builder Contract with a budget not less than $3 million.

[According to its website, Weekley Homes does business as David Weekley Homes and began in 1976 in Houston, Texas and has grown to become the largest privately-held home builder in America.]

Lot Prices and Residential Product Offerings

The following table reflects the Developer's current expectations for the residential product types to be constructed in the Development, along with the number of developable units, expected lot prices per developed lots and estimated average home prices, all of which are subject to change.

Product Type	Estimated Beds/Baths	Estimated Square Footage	Estimated Starting Lot Prices	Estimated Starting Home Prices
SF 40' Ungated Lots				
SF 50' Ungated Lots				
SF 50' Gated Lots				
SF 60' Gated Lots				
Active Adult Duplex				
Active Adult 40' Lots				
Active Adult 50' Lots				

The Developer anticipate that approximately ___ homes in the Development will be sold per year. This anticipated absorption rate is based upon estimates and assumptions made by the Developer that are inherently uncertain, though considered reasonable by the Developer, and are subject to significant business, economic, and competitive uncertainties and contingencies, all of which are difficult to predict and many of which are beyond the control of the Developer. As a result, there can be no assurance such absorption rate will occur or be realized in the timeframe anticipated. See "BONDHOLDERS' RISKS" herein.

All homebuilders will construct one or more model homes to market their respective product types within the Development. The full community marketing and sales plan is still being determined by the Developer and homebuilders.

Zoning, Development Approvals and Permits

The District Lands are zoned Planned Unit Development ("PUD") and are subject to the Avalon Grove PUD enacted by the Commission on January 24,2012 as Ordinance No. 2012-10 (the "PUD Ordinance"). [Per PUD there appears to be a Development Agreement? We need summary of development obligations.] [All County, Florida Fish and Wildlife, St. Johns River Water Management District ("SJRWMD") and U.S. Army Corps of Engineers ("Corps") environmental permits for the development of Assessment Area One and Assessment Area Two have been obtained from the respective agencies.]

Environmental

A Phase 1/II Environmental Site Assessment (the "ESA") was performed on [an approximate ___-acre tract of land, which include the District Lands – need CDD tax parcel i.d. from DM to confirm against ESA], on January 15, 2016. The ESA identified several potential "recognized environmental conditions" during the review of previous environmental investigations. These potentially impacted areas were tested for soil and groundwater impacts from petroleum projects and agricultural chemicals as appropriate. Based on the testing results, all tested contaminants were either undetected or well within appropriate soil and groundwater cleanup standards and no additional environmental investigations were recommended by the ESA on the District Lands. See "BONDOWNERS' RISKS – Regulatory and Environmental Risks" herein for more information regarding potential environmental risks.

Amenities

The District will have an approximate ____ square foot clubhouse, resort pool, fitness room and walking trails on approximately three acres of land. Construction of the amenities are excepted to commence in January 2018 and be completed by November 2018.

Utilities

_____ will provide water, sewer and irrigation for the Development. _____ will also provide electrical service to the Development.

Taxes, Fees and Assessments

[To come after receipt of supplemental method.]

The District anticipates levying assessments to cover its administrative costs that will be approximately $___ per residential unit annually, which amounts are subject to change. In addition, residents will be required to pay homeowners' association fees to the applicable homeowners' association which are currently estimated to be $__ per residential lot annually, which amounts are subject to change. The land within the District has been and is expected to continue to be subject to taxes and assessments imposed by taxing authorities other than the District. The total millage rate in the District is currently approximately ___ mills. These taxes would be payable in addition to the Special Assessments and any other assessments levied by the District. In addition, exclusive of voter approved millages levied for general obligation bonds, as to which no limit applies, the County and the School District of Lake County, Florida may each levy ad valorem taxes upon the land in the District. The District has no control over the level of ad valorem taxes and/or special assessments levied by other taxing authorities. It is possible that in future years taxes levied by these other entities could be substantially higher than in the current year.

Education

School age residents of the District are expected to attend _____ Elementary School, _____ Middle School and _____ High School, which are located approximately __ miles, __ miles and __ miles away from the District, respectively, and received grades of __, __ and __, respectively, from the State of Florida in 2015 (the most recent year for which grades are available). The Lake County School Board may change school boundaries from time to time, and there is no requirement that students residing in the Development be permitted to attend the schools which are closest to the Development.

Competition

The Development is expected to compete with projects in the County market generally and, more particularly, _____. There are a number of new and ongoing residential projects in the eastern portion of the County that the Development will be in competition with, including without limitation the following: _____. This section does not purport to summarize all of the existing or planned communities in the area of the Development, but rather provide a description of those that the Developer feel pose primary competition to the Development.

THE DEVELOPER

VK Avalon Groves LLC, a Delaware limited liability company (the "Landowner"), owns all of the developable land in the District. The Landowner was organized on _____ and is a single-purpose investment entity whose sole asset is the land it owns in the District. The sole member of the Landowner is VK JV1 LLC, a Delaware limited liability company ("VK JV1"), and the sole members of VK JV1 are Hastagare LLC, a Delaware limited liability company and VK JV1 Funding LLC, a Florida limited liability company. KV JV1 Funding LLC is managed by The Kolter Group LLC.

The Kolter Group LLC, a Florida limited liability company (the "Kolter Group"), was organized in December 2009 and is managed by Kevin Voller, Howard Erbstein, William Johnson and Robert Julien. The Kolter Group is a private investment firm focused on real estate development, investment and construction, based in West Palm Beach, Florida. The Kolter Group and its affiliates (collectively, "Kolter") have sponsored over $9 billion of real estate transactions throughout the southeastern United States, including numerous transactions throughout Florida. Since 2007, Kolter has acquired over 40 projects in Florida, consisting of nearly 10,000 homesites.

Kolter recently completed development of two communities in the vicinity of the Development: Oakhurst, consisting of 86 single-family homesites (sales of lots to builders commenced and were completed in 2010), and Sheffield Glen, consisting of 99 single-family homesites (sales of lots to builders commenced in 2010 and ended in 2013). Kolter is currently developing the community of Willow Walk, also in the vicinity of the Development, which is currently planned for at least 287 single-family homes (Willow Walk is expected to open for sales in the first quarter of 2016).

Neither VKJV1, Kolter Group nor Kolter, nor any other person or entity owning any beneficial interest in the Developer or any of such entities has any liability, nor is any of them guaranteeing any of the Developer's obligations with respect to the Development or their completion or any of the Developer's other obligations incurred in connection with the issuance of the Series 2017 Bonds.

TAX MATTERS

General

In the opinions of Greenberg Traurig, P.A., Bond Counsel, under existing statutes, regulations, rulings and court decisions and assuming continuing compliance with certain covenants and the accuracy of certain representations, (1) interest on the Series 2017 Bonds will be excludable from gross income for federal income tax purposes, (2) interest on the Series 2017 Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, (3) interest on the Series 2017 Bonds will be taken into account in determining adjusted current earnings for purposes of computing the federal alternative minimum tax imposed on certain corporations, and (4) the Series 2017 Bonds and the interest thereon will not be subject to taxation under the laws of the State, except estate taxes and taxes under Chapter 220, Florida Statutes, as amended, on interest, income or profits on debt obligations owned by corporations as defined therein.

The above opinions on federal tax matters with respect to the Series 2017 Bonds will be based on and will assume the accuracy of certain representations and certifications of the District and the Developer, and compliance with certain covenants of the District to be contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Series 2017 Bonds will be and will remain obligations, the interest on which is excludable from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of those certifications and representations. Bond Counsel will express no opinion as to any other tax consequences regarding the Series 2017 Bonds.

The Internal Revenue Code of 1986, as amended (the "Code") prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excludable from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations in order for the interest to be and to continue to be so excludable from the date of issuance. Noncompliance with these requirements by the District may cause the interest on the Series 2017 Bonds to be included in gross income for federal income tax purposes and thus to be subject to federal income tax retroactively to the date of issuance of the Series 2017 Bonds.

The District has covenanted to take the actions required of it for the interest on the Series 2017 Bonds to be and to remain excludable from gross income for federal income tax purposes, and not to take any actions that would adversely affect that excludability.

Except as described herein, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt of interest on, or disposition of the Series 2017 Bonds. Prospective purchasers of the Series 2017 Bonds should be aware that the ownership of the Series 2017 Bonds may result in other collateral federal tax consequences, including, without limitation, (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry the Series 2017 Bonds or, in the case of a financial institution, that portion of an owner's interest expense allocable to interest on the Series 2017 Bonds; (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by a percentage of certain items, including interest on the Series 2017 Bonds; (iii) the inclusion of interest on the Series 2017 Bonds in the earnings of certain foreign corporations doing business in the United States for purposes of a branch profits tax; (iv) the inclusion of interest on the Series 2017 Bonds in the passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year; and (v) the inclusion of interest on the Series 2017 Bonds in the determination of the taxability of certain Social Security and Railroad Retirement benefits to certain recipients of such benefits. The nature and extent of the other tax consequences described above will depend on the particular tax status and situation of each owner of the Series 2017 Bonds. Prospective purchasers of the Series 2017 Bonds should consult their own tax advisors as to the impact of these other tax consequences.

Bond Counsel's opinions will be based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its respective opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, the opinions of Bond Counsel are not guarantees of a particular result, and are not binding on the Internal Revenue Service or the courts; rather, such opinions represent Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinions.

[Original Issue Discount]

[The Series 2017 Bonds that have an original yield above their respective interest rates, as shown on the cover of this Limited Offering Memorandum (collectively, the "Discount Bonds"), are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Bonds and their stated amounts to be paid at maturity constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

The amount of original issue discount that is treated as having accrued with respect to a Discount Bond is added to the cost basis of the owner of the bond in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption or payment at maturity). Amounts received upon disposition of such Discount Bond that are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days that are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such Discount Bond (determined by compounding at the close of each accrual period) and (ii) the amount

that would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, (b) less the amount of any interest payable for such Discount Bond during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning a Discount Bond. Subsequent purchasers of Discount Bonds that purchase such bonds for a price that is higher or lower than the "adjusted issue price" of the bonds at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.]

Information Reporting and Backup Withholding

Interest paid on tax-exempt obligations such as the Series 2017 Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2017 Bonds from gross income for federal income tax purposes. However, in connection with that information reporting requirement, the Code subjects certain noncorporate owners of Series 2017 Bonds, under certain circumstances, to "backup withholding" at the rates set forth in the Code, with respect to payments on the Series 2017 Bonds and proceeds from the sale of Series 2017 Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2017 Bonds. This withholding generally applies if the owner of Series 2017 Bonds (a) fails to furnish the payor such owner's social security number or other taxpayer identification number, (b) furnishes the payor an incorrect taxpayer identification number, (c) fails to properly report interest, dividends or other "reportable payments" as defined in the Code or, (d) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the taxpayer identification number provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2017 Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading "TAX MATTERS" or adversely affect the market value of the Series 2017 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to obligations issued or executed and delivered prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 2017 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2017 Bonds or the market value thereof would be impacted thereby. Purchasers of the Series 2017 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2017 Bonds, and Bond Counsel has

expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

PROSPECTIVE PURCHASERS OF THE SERIES 2017 BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE SERIES 2017 BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE SERIES 2017 BONDS.

AGREEMENT BY THE STATE

Under the Act, the State of Florida pledges to the holders of any bonds issued thereunder, including the Series 2017 Bonds, that it will not limit or alter the rights of the District to own, acquire, construct, reconstruct, improve, maintain, operate or furnish the projects subject to the Act or to levy and collect taxes, assessments, rentals, rates, fees, and other charges provided for in the Act and to fulfill the terms of any agreement made with the holders of such bonds and that it will not in any way impair the rights or remedies of such holders.

LEGALITY FOR INVESTMENT

The Act provides that the Series 2017 Bonds are legal investments for savings banks, banks, trust companies, insurance companies, executors, administrators, trustees, guardians, and other fiduciaries, and for any board, body, agency, instrumentality, county, municipality or other political subdivision of the State of Florida, and constitute securities which may be deposited by banks or trust companies as security for deposits of state, county, municipal or other public funds, or by insurance companies as required or voluntary statutory deposits.

SUITABILITY FOR INVESTMENT

In accordance with applicable provisions of Florida law, the Series 2017 Bonds may initially be sold by the District only to "accredited investors" within the meaning of Chapter 517, Florida Statutes and the rules promulgated thereunder. The limitation of the initial offering to accredited investors does not denote restrictions on transfer in any secondary market for the Series 2017 Bonds. Investment in the Series 2017 Bonds poses certain economic risks. No dealer, broker, salesperson or other person has been authorized by the District or the Underwriter to give any information or make any representations, other than those contained in this Limited Offering Memorandum, and, if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing.

ENFORCEABILITY OF REMEDIES

The remedies available to the Owners of the respective Series of the Series 2017 Bonds upon an event of default under the applicable Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including the federal bankruptcy code, the remedies specified by the Indentures and the Series 2017 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2017 Bonds will be qualified as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery.

LITIGATION

The District

There is no litigation of any nature now pending or, to the knowledge of the District threatened, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Series 2017 Bonds, or in any way contesting or affecting (i) the validity of the Series 2017 Bonds or any proceedings of the District taken with respect to the issuance or sale thereof, (ii) the pledge or application of any moneys or security provided for the payment of the Series 2017 Bonds, (iii) the existence or powers of the District or (iv) the validity of the Assessment Proceedings.

The Developer

The Developer has represented that there is no litigation of any nature now pending or, to the knowledge of the Developer, threatened, which could reasonably be expected to have a material and adverse effect upon the completion of the Projects or the development of the lands in the District as described herein, materially and adversely affect the ability of the Developer to pay the Series 2017 Special Assessments imposed against the land within the District owned by the Developer or materially and adversely affect the ability of the Developer to perform its various obligations described in this Limited Offering Memorandum.

CONTINGENT FEES

The District has retained Bond Counsel, District Counsel, the District Engineer, the Methodology Consultant, the Underwriter (who has retained Underwriter's Counsel) and the Trustee (who has retained Trustee's Counsel), with respect to the authorization, sale, execution and delivery of the Series 2017 Bonds. Except for the payment of fees to the District Engineer and the Methodology Consultant, the payment of fees of the other professionals is each contingent upon the issuance of the Series 2017 Bonds.

NO RATING

No application for a rating for the Series 2017 Bonds has been made to any rating agency, nor is there any reason to believe that an investment grade rating for the Series 2017 Bonds would have been obtained if application had been made.

EXPERTS

The Engineer's Report attached as APPENDIX C to this Limited Offering Memorandum has been prepared by Heidt Design, Tampa, Florida, the District Engineer. APPENDIX C should be read in its entirety for complete information with respect to the subjects discussed therein. Development Planning & Financing Group, Inc., Maitland, Florida, as Methodology Consultant, has prepared the Assessment Methodology set forth as APPENDIX D attached hereto. APPENDIX D should be read in its entirety for complete information with respect to the subjects discussed therein. As a condition to closing on the Series 2017 Bonds, both the District Engineer and the Methodology Consultant will consent to the inclusion of their reports in this Limited Offering Memorandum.

FINANCIAL INFORMATION

This District will covenant in a Continuing Disclosure Agreement, the proposed form of which is set forth in APPENDIX F attached hereto, to provide its annual audited financial statements to certain information repositories as described in APPENDIX F, commencing with the audit for the District fiscal

year ending September 30, 2017. Attached hereto as APPENDIX E is a copy of the District's most recent unaudited financial statements for the period ending _____, 2016. The District does not have audited financial statements because the District was only recently established. The Series 2017 Bonds are not general obligation bonds of the District and are payable solely from the Series 2017 Pledged Revenues.

Beginning October 1, 2015, or by the end of the first full fiscal year after its creation, each community development district in Florida must have a separate website with certain information as set forth in Section 189.069, F.S., including, without limitation, the district's proposed and final budgets and audit. The District currently has a website which is located at http://avalongrovescdd.org.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Section 517.051, Florida Statutes, and the regulations promulgated thereunder requires that the District make a full and fair disclosure of any bonds or other debt obligations that it has issued or guaranteed and that are or have been in default as to principal or interest at any time after December 31, 1975 (including bonds or other debt obligations for which it has served only as a conduit issuer such as industrial development or private activity bonds issued on behalf of private business). The District is not and has never been in default as to principal or interest on its bonds or other debt obligations since December 31, 1975.

CONTINUING DISCLOSURE

The District and the Developer will enter into a Continuing Disclosure Agreement (the "Disclosure Agreement"), the proposed form of which is set forth in the attached APPENDIX F, for the benefit of the Series 2017 Bondholders (including owners of beneficial interests in such Series 2017 Bonds), respectively, to provide certain financial information and operating data relating to the District and the Development by certain dates prescribed in the Disclosure Agreement (the "Reports") with the Municipal Securities Rulemaking Board ("MSRB") through the MSRB's Electronic Municipal Market Access system ("EMMA"). The specific nature of the information to be contained in the Reports is set forth in "APPENDIX F: PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT." Under certain circumstances, the failure of the District or the Developer or any other future obligated party to comply with their obligations under the Disclosure Agreement constitutes an event of default thereunder. Such a default will not constitute an event of default under either Indenture, but such event of default under the Disclosure Agreement would allow the Assessment Area One Bondholders, the Assessment Area Two-1 Bondholders and the Assessment Area Two-2 Bondholders (including owners of beneficial interests in such Series 2017 Bonds), as applicable, to bring an action for specific performance.

Neither the District [nor the Developer] has previously entered into any continuing disclosure agreements in connection with Rule 15c2-12 (the "Rule") promulgated under the Securities Exchange Act of 1934, as amended. The District will appoint _____ (the "Dissemination Agent"), as dissemination agent under the Disclosure Agreements for the Series 2017 Bonds.

UNDERWRITING

FMSbonds, Inc. (the "Underwriter") has agreed, pursuant to a contract with the District, subject to certain conditions, to purchase the Assessment Area One Bonds from the District at a purchase price of $_____ (par amount of the Assessment Area One Bonds, less [an original issue discount of $_____ and] an Underwriter's discount of $_____), to purchase the Assessment Area Two-1 Bonds from the District at a purchase price of $_____ (par amount of the Assessment Area Two-1 Bonds, less [an original issue discount of $_____ and] an Underwriter's discount of

$_____) and to purchase the Assessment Area Two-2 Bonds from the District at a purchase price of $_____ (par amount of the Assessment Area Two-2 Bonds, less [an original issue discount of $_____ and] an Underwriter's discount of $_____). The Underwriter's obligations are subject to certain conditions precedent and the Underwriter will be obligated to purchase all of a Series of Series 2017 Bonds if any Series 2017 Bonds of such Series are purchased.

The Underwriter intends to offer the Series 2017 Bonds to accredited investors at the offering prices set forth on the cover page of this Limited Offering Memorandum, which may subsequently change without prior notice. The Series 2017 Bonds may be offered and sold to certain dealers, banks and others at prices lower than the initial offering prices, and such initial offering prices may be changed from time to time by the Underwriter.

VALIDATION

Bonds issued pursuant to the terms of the Master Indenture have been validated by a judgment of the Circuit Court of the Fifth Judicial Circuit Court of Florida in and for Lake County, Florida, rendered on June 22, 2016. The period of time during which an appeal can be taken has expired with no appeal being filed.

LEGAL MATTERS

Certain legal matters related to the authorization, sale and delivery of the Series 2017 Bonds are subject to the approval of Greenberg Traurig, P.A., West Palm Beach, Florida, Bond Counsel. Certain legal matters will be passed upon for the Underwriter by its counsel, GrayRobinson, P.A. Tampa, Florida. Certain legal matters will be passed upon for the District by its counsel, Hopping Green & Sams P.A., Tallahassee, Florida. Certain legal matters will be passed upon for the Developer by its counsel, Shuffield, Lowman & Wilson, P.A., Orlando, Florida.

Bond Counsel's opinions included herein are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date of delivery of the Series 2017 Bonds. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or the courts; rather, such opinions represent Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinions.

MISCELLANEOUS

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

The references herein to the Series 2017 Bonds and other documents referred to herein are brief summaries of certain provisions thereof. Such summaries do not purport to be complete and reference is made to such documents for full and complete statements of such provisions.

This Limited Offering Memorandum is submitted in connection with the limited offering of each Series of the Series 2017 Bonds and may not be reproduced or used, as a whole or in part, for any purpose. This Limited Offering Memorandum is not to be construed as a contract with the purchaser or the Beneficial Owners of any of the Series 2017 Bonds.

AUTHORIZATION AND APPROVAL

The execution and delivery of this Limited Offering Memorandum has been duly authorized by the Board of the District.

AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT

By: _____
Chairperson, Board of Supervisors

APPENDIX A

PROPOSED FORMS OF THE INDENTURES

APPENDIX B

PROPOSED FORMS OF OPINIONS OF BOND COUNSEL

APPENDIX C

ENGINEER'S REPORT

APPENDIX D

ASSESSMENT METHODOLOGY

APPENDIX E

DISTRICT'S FINANCIAL STATEMENTS

APPENDIX F

PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Disclosure Agreement"), dated as of January __, 2017, is executed and delivered by the Avalon Groves Community Development District (the "Issuer" or the "District"), VK Avalon Groves LLC, a Florida limited liability company (the "Developer"), and Development Planning & Financing Group, Inc. as dissemination agent (together with its successors and assigns, the "Dissemination Agent") in connection with Issuer's Special Assessment Bonds, Series 2017 (Assessment Area One Project) (the "Assessment Area One Bonds") and its Special Assessment Bonds, Series 2017A-1 (Assessment Area Two Project) (the "Assessment Area Two-1 Bonds") and its Special Assessment Bonds, Series 2017A-2 (Assessment Area Two Project) (the "Assessment Area Two-2 Bonds" and, together with the Assessment Area One Bonds and the Assessment Area Two-1 Bonds, the "Bonds"). The Series 2017 Bonds are secured pursuant to a Master Trust Indenture dated as of January 1, 2017 (the "Master Indenture"), as amended and supplemented, with respect to the Assessment Area One Bonds, by a First Supplemental Trust Indenture dated as of January 1, 2017 (the "First Supplemental Indenture" and, together with the Master Indenture, the "Assessment Area One Indenture") and with respect to the Assessment Area Two-1 Bonds, by a Second Supplemental Trust Indenture dated as of January 1, 2017 (the "Second Supplemental Indenture" and, together with the Master Indenture, the "Assessment Area Two-1 Indenture") and with respect to the Assessment Area Two-2 Bonds, by a Third Supplemental Trust Indenture dated as of January 1, 2017 (the "Third Supplemental Indenture," together with the Master Indenture, the "Assessment Area Two-2 Indenture"), each entered into by and between the Issuer and Regions Bank, a state banking corporation duly organized and existing under the laws of the State of Alabama and having a designated corporate trust office in Jacksonville, Florida, as trustee (the "Trustee"). The Assessment Area One Indenture, the Assessment Area Two-1 Indenture and the Assessment Area Two-2 Indenture are sometimes collectively referred to herein as the "Indentures." The Issuer, the Developer and the Dissemination Agent covenant and agree as follows:

1. **Purpose of this Disclosure Agreement**. This Disclosure Agreement is being executed and delivered by the Issuer, the Developer and the Dissemination Agent for the benefit of the Beneficial Owners (as defined herein) of the Bonds and to assist the Participating Underwriter (as defined herein) of the Bonds in complying with the Rule (as defined herein). The Issuer has no reason to believe that this Disclosure Agreement does not satisfy the requirements of the Rule and the execution and delivery of this Disclosure Agreement is intended to comply with the Rule. To the extent it is later determined by a court of competent jurisdiction, a governmental regulatory agency, or an attorney specializing in federal securities law, that the Rule requires the Issuer or other Obligated Person to provide additional information, the Issuer and each Obligated Person agree to promptly provide such additional information.

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

2. **Definitions**. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Indentures. The following capitalized terms as used in this Disclosure Agreement shall have the following meanings:

"Annual Filing Date" means the date set forth in Section 3(a) hereof by which the Annual Report is to be filed with each Repository.

"Annual Financial Information" means annual financial information as such term is used in paragraph (b)(5)(i)(A) of the Rule and specified in Section 4(a) of this Disclosure Agreement.

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

"Assessment Areas" shall mean Assessment Area One and Assessment Area Two as such are defined in the Limited Offering Memorandum.

"Assessments" shall mean the non-ad valorem Assessment Area One Special Assessments, the Assessment Area Two-1 Special Assessments and the Assessment Area Two-2 Special Assessments, pledged to the payment of the Assessment Area One Bonds, the Assessment Area Two-1 Bonds and the Assessment Area Two-2 Bonds, respectively, pursuant to the Assessment Area One Indenture, the Assessment Area Two-1 Indenture and the Assessment Area Two-2 Indenture, respectively.

"Audited Financial Statements" means the financial statements (if any) of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 4(a) of this Disclosure Agreement.

"Audited Financial Statements Filing Date" means the date set forth in Section 3(a) hereof by which the Audited Financial Statements are to be filed with each Repository if the same are not included as part of the Annual Report.

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

"Business Day" means any day other than (a) a Saturday, Sunday or a day on which banks located in the city in which the designated corporate trust office of the Trustee is located are required or authorized by law or executive order to close for business, and (b) a day on which the New York Stock Exchange is closed.

"Disclosure Representative" shall mean (i) as to the Issuer, the District Manager or its designee, or such other person as the Issuer shall designate in writing to the Dissemination Agent from time to time as the person responsible for providing information to the Dissemination Agent; and (ii) as to each entity comprising an Obligated Person (other than the Issuer), the individuals executing this Disclosure Agreement on behalf of such entity or such person(s) as

such entity shall designate in writing to the Dissemination Agent from time to time as the person(s) responsible for providing information to the Dissemination Agent.

"Dissemination Agent" shall mean the Issuer or an entity appointed by the Issuer to act in the capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Issuer pursuant to Section 8 hereof. Development Planning & Financing Group, Inc., has been designated as the initial Dissemination Agent hereunder.

"District Manager" shall mean Development Planning & Financing Group, Inc., and its successors and assigns.

"EMMA" means the Electronic Municipal Market Access system for municipal securities disclosures located at http://emma.msrb.org/.

"EMMA Compliant Format" shall mean a format for any document provided to the MSRB (as hereinafter defined) which is in an electronic format and is accompanied by identifying information, all as prescribed by the MSRB.

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

"Limited Offering Memorandum" shall mean that Limited Offering Memorandum dated January __, 2017, prepared in connection with the issuance of the Bonds.

"Listed Event" shall mean any of the events listed in Section 6(a) of this Disclosure Agreement.

"MSRB" means the Municipal Securities Rulemaking Board.

"Obligated Person(s)" shall mean, with respect to a Series of Bonds, those person(s) who either generally or through an enterprise fund or account of such persons are committed by contract or other arrangement to support payment of all or a part of the obligations on such Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), which person(s) shall include the Issuer, and for the purposes of this Disclosure Agreement, the Developer and its affiliates for so long as the Developer and its affiliates are the owner of District lands responsible for payment of at least 20% of the applicable Series of Assessments.

"Participating Underwriter" shall mean FMSbonds, Inc.

"Quarterly Filing Date" shall mean for the quarter ending: (i) March 31, each May 1; (ii) June 30, each August 1; (iii) September 30, each November 1; and (iv) December 31, each February 1 of the following year. The first Quarterly Filing Date shall be [May 1, 2017].

"Quarterly Report" shall mean any Quarterly Report provided by any Obligated Person (other than the Issuer) pursuant to, and as described in, Section 5 of this Disclosure Agreement.

"Repository" shall mean each entity authorized and approved by the SEC (as hereinafter defined) from time to time to act as a repository for purposes of complying with the Rule. The Repositories approved by the SEC may be found by visiting the SEC's website at http://www.sec.gov/info/municipal/nrmsir.htm. As of the date hereof, the Repository recognized by the SEC for such purpose is the MSRB, which currently accepts continuing disclosure submissions through its EMMA web portal. As used herein, "Repository" shall include the State Repository, if any.

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

"SEC" means the Securities and Exchange Commission.

"State" shall mean the State of Florida.

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

3. **Provision of Annual Reports.**

(a) Subject to the following sentence, the Issuer shall provide the Annual Report to the Dissemination Agent no later than one hundred eighty (180) days after the close of the Issuer's Fiscal Year (the "Annual Filing Date"), commencing with the Annual Report for the Fiscal Year ended September 30, 2017. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; *provided that* the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report, and may be submitted in accordance with State law, which currently requires such Audited Financial Statements to be provided up to, but no later than, nine (9) months after the close of the Issuer's Fiscal Year (the "Audited Financial Statements Filing Date"). The Issuer shall, or shall cause the Dissemination Agent to, provide to the Repository the components of an Annual Report which satisfies the requirements of Section 4(a) of this Disclosure Agreement within thirty (30) days after same becomes available, but in no event later than the Annual Filing Date or Audited Financial Statements Filing Date, as applicable. If the Issuer's Fiscal Year changes, the Issuer shall give notice of such change in the same manner as for a Listed Event under Section 6.

(b) If on the fifteenth (15th) day prior to each Annual Filing Date or the Audited Financial Statements Filing Date, as applicable, the Dissemination Agent has not received a copy of the Annual Report or Audited Financial Statements, as applicable, the Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be via email) to remind the Issuer of its undertaking to provide the Annual Report or Audited Financial Statements, as applicable, pursuant to Section 3(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Report or the Audited Financial Statements, as applicable, in accordance with Section 3(a) above, or (ii) advise the Dissemination Agent in writing that the Issuer will not be able to file the Annual Report or Audited Financial Statements, as applicable, within the times

required under this Disclosure Agreement, state the date by which the Annual Report or the Audited Financial Statements for such year, as applicable, will be provided and instruct the Dissemination Agent that a Listed Event as described in Section 6(a)(xv) has occurred and to immediately send a notice to the Repository in substantially the form attached hereto as Exhibit A.

(c) If the Dissemination Agent has not received an Annual Report by 12:00 noon on the first (1st) Business Day following the Annual Filing Date for the Annual Report or the Audited Financial Statements by 12:00 noon on the first (1st) Business Day following the Audited Financial Statements Filing Date for the Audited Financial Statements, then a Listed Event as described in Section 6(a)(xv) shall have occurred and the Dissemination Agent shall immediately send a notice to the Repository in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) determine each year prior to the Annual Filing Date the name, address and filing requirements of the Repository; and

(ii) promptly upon fulfilling its obligations under subsection (a) above, file a notice with the Issuer stating that the Annual Report or Audited Financial Statements, as applicable, has been provided pursuant to this Disclosure Agreement, stating the date(s) it was provided and listing all Repositories with which it was filed.

(e) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Agreement shall be provided in an EMMA Compliant Format.

4. **Content of Annual Reports**.

(a) Each Annual Report shall contain Annual Financial Information with respect to the Issuer, including the following:

(i) The amount of each Series of Assessments levied in each Assessment Area for the most recent prior Fiscal Year.

(ii) The amount of each Series of Assessments collected in each Assessment Area from the property owners during the most recent prior Fiscal Year.

(iii) If available, the amount of delinquencies in each Assessment Area greater than one hundred fifty (150) days, and, in the event that delinquencies amount to more than ten percent (10%) of the amounts of the applicable Assessments due in any year, a list of delinquent property owners.

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

(v) All fund balances in all Funds and Accounts for each Series of the Bonds.

(vi) The total amount of Bonds Outstanding for each Series.

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

(viii) The most recent Audited Financial Statements of the Issuer.

(ix) In the event of any amendment or waiver of a provision of this Disclosure Agreement, a description of such amendment or waiver in the next Annual Report, and in each case shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change in accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements: (i) notice of such change shall be given in the same manner as for a Listed Event under Section 6(b); and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

To the extent any of the items set forth in subsections (i) through (vii) above are included in the Audited Financial Statements referred to in subsection (viii) above, they do not have to be separately set forth (unless Audited Financial Statements are being delivered more than 180 days after the close of the Issuer's Fiscal Year pursuant to Section 3(a) hereof). Any or all of the items listed above may be incorporated by reference from other documents, including limited offering memorandums and official statements of debt issues of the Issuer or related public entities, which have been submitted to the MSRB or the SEC. If the document incorporated by reference is a final limited offering memorandum or official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

(b) The Issuer and each Obligated Person agree to supply, in a timely fashion, any information reasonably requested by the Dissemination Agent that is necessary in order for the Dissemination Agent to carry out its duties under this Disclosure Agreement. The Issuer acknowledges and agrees that the information to be collected and disseminated by the Dissemination Agent will be provided by the Issuer, Obligated Persons and others. The Dissemination Agent's duties do not include authorship or production of any materials, and the Dissemination Agent shall have no responsibility hereunder for the content of the information provided to it by the Issuer, an Obligated Person or others as thereafter disseminated by the Dissemination Agent.

(c) Any Annual Financial Information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

5. **Quarterly Reports.**

(a) Each Obligated Person (other than the Issuer) shall provide an electronic copy of the Quarterly Report to the Dissemination Agent no later than fifteen (15) days prior to the Quarterly Filing Date. Promptly upon receipt of an electronic copy of the Quarterly Report, but in any event within ten (10) days after receipt thereof, the Dissemination Agent shall provide a Quarterly Report to the Repository.

(b) Each Quarterly Report shall contain an update of the following information for each Assessment Area and each Series of Bonds to the extent available:

(i) The number and type of lots in each Assessment Area subject to the Assessments.

(ii) The number and type of lots planned for each Assessment Area.

(iii) The number and type of lots owned in each Assessment Area by the Obligated Person.

(iv) The number and type of lots platted in each Assessment Area.

(v) The number and type of lots in each Assessment Area owned by the Obligated Person under contract with a home builder and closed with a home builder and the name of such builder.

(vi) The number and type of homes under construction and the number and type of homes constructed in each Assessment Area by the Obligated Person.

(vii) The number and type of homes under contract with homebuyers in each Assessment Area by the Obligated Person.

(viii) The number and type of homes closed with homebuyers (delivered to end users) in each Assessment Area by the Obligated Person.

(ix) Any change to the number or type of lots planned to be developed in each Assessment Area by the Obligated Person.

(x) Materially adverse changes or determinations to permits/approvals for the development of each Assessment Area which necessitate changes to the land use plans of any Obligated Person.

(xi) The occurrence of any new or modified mortgage debt on the land owned by the Obligated Person in each Assessment Area, including the amount, interest rate and terms of repayment.

(c) If an Obligated Person sells, assigns or otherwise transfers ownership of real property in an Assessment Area (a "Transferor Obligated Person") to a third party, which will in turn be an Obligated Person for purposes of this Disclosure Agreement as a result thereof

(a "Transfer"), the Transferor Obligated Person hereby agrees to contractually obligate such third party to agree to comply with the disclosure obligations of an Obligated Person hereunder for so long as such third party is an Obligated Person hereunder, to the same extent as if such third party were a party to this Disclosure Agreement. The Transferor Obligated Person shall notify the District and the Dissemination Agent in writing of any Transfer within five (5) Business Days of the occurrence thereof. In the event that the Transferor Obligated Person remains an Obligated Person hereunder following any Transfer, nothing herein shall be construed to relieve the Transferor Obligated Person from its obligations hereunder.

(d) If the Dissemination Agent has not received a Quarterly Report from each Obligated Person that contains, at a minimum, the information in Section 5(b) of this Disclosure Agreement by 12:00 noon on the first (1st) Business Day following each Quarterly Filing Date, a Listed Event described in Section 6(a)(xv) shall have occurred and the District and each Obligated Person hereby direct the Dissemination Agent to send a notice to the Repository in substantially the form attached as Exhibit A, with a copy to the District. The Dissemination Agent shall file such notice no later than thirty (30) days following the applicable Quarterly Filing Date.

6. **Reporting of Significant Events.**

(a) This Section 6 shall govern the giving of notices of the occurrence of any of the following Listed Events:

(i) Principal and interest payment delinquencies;

(ii) Non-payment related defaults, if material;

(iii) Unscheduled draws on the Debt Service Reserve Fund reflecting financial difficulties;

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties;∗

(v) Substitution of credit or liquidity providers, or their failure to perform;*

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(vii) Modifications to rights of Bond holders, if material;

(viii) Bond calls, if material, and tender offers;

(ix) Defeasances;

∗ The Bonds are not credit enhanced at their date of issuance.

(x) Release, substitution, or sale of property securing repayment of the Bonds, if material;

(xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership or similar event of the Issuer or any Obligated Person (which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer or any Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer or any Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer or any Obligated Person);

(xiii) Consummation of a merger, consolidation, or acquisition involving the Issuer or any Obligated Person or the sale of all or substantially all of the assets of the Issuer or any Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional Trustee or the change of name of the Trustee, if material; and

(xv) Failure to provide (A) any Annual Report or Audited Financial Statements as required under this Disclosure Agreement that contains, in all material respects, the information required to be included therein under Section 4(a) of this Disclosure Agreement, or (B) any Quarterly Report that contains, in all material respects, the information required to be included therein under Section 5(b) of this Disclosure Agreement, which failure shall, in all cases, be deemed material under federal securities laws.

(b) The Issuer shall give, or cause to be given, notice of the occurrence of any of the above subsection (a) Listed Events to the Dissemination Agent in writing in sufficient time in order to allow the Dissemination Agent to file notice of the occurrence of such Listed Event in a timely manner not in excess of ten (10) Business Days after its occurrence, with the exception of the Listed Event described in Section 6(a)(xv), which notice will be given in a timely manner. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (d) below. Such notice shall identify the Listed Event that has occurred, include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Dissemination Agent to disseminate the information (provided that such date is not later than the tenth (10th) Business Day after the occurrence of the Listed Event or such earlier time period as required under this Agreement).

(c) Each Obligated Person shall notify the Issuer of the occurrence of a Listed Event described in subsections (a)(x), (xii), (xiii) or (xv) above as to such Obligated Person within five (5) Business Days after the occurrence of the Listed Event so as to enable the Issuer to comply with its obligations under this Section 6.

(d) If the Dissemination Agent has been instructed by the Issuer to report the occurrence of a Listed Event, the Dissemination Agent shall immediately file a notice of such occurrence with each Repository.

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

8. **Dissemination Agent**. Upon termination of the Dissemination Agent's services as Dissemination Agent, whether by notice of the Issuer or the Dissemination Agent, the Issuer agrees to appoint a successor Dissemination Agent or, alternatively, agrees to assume all responsibilities of Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. If at any time there is not any other designated Dissemination Agent, the District shall be deemed to be the Dissemination Agent. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable until payment in full for any and all sums owed and payable to the Dissemination Agent hereunder. The initial Dissemination Agent shall be Development Planning & Financing Group, Inc. The acceptance of such designation is evidenced by the execution of this Disclosure Agreement by a duly authorized signatory of Development Planning & Financing Group, Inc. Development Planning & Financing Group, Inc. may terminate its role as Dissemination Agent at any time upon delivery of thirty (30) days prior written notice to the District and each Obligated Person.

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

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment and/or waiver in the next Annual Report and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change in accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements: (i) notice of such change shall be given in the same manner as for a Listed Event under Section 6(b); and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Notwithstanding the above provisions of this Section 9, no amendment to the provisions of Section 5(b) hereof may be made without the consent of each Obligated Person, if any.

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

11. **Default**. In the event of a failure of the Issuer, the Disclosure Representative, any Obligated Person or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the request of any Participating Underwriter or the Beneficial Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and receipt of indemnity satisfactory to the Trustee, shall), or any beneficial owner of a Bond may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer, the Disclosure Representative, any Obligated Person or a Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement by any Obligated Person shall not be deemed a default by the Issuer hereunder and no default hereunder shall be deemed an Event of Default under the Indentures, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer, the Disclosure Representative, any Obligated Person, or a Dissemination Agent, to comply with this Disclosure Agreement shall be an action to compel performance.

12. **Duties of Dissemination Agent**. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement between the District, the Developer and such Dissemination Agent. The Dissemination Agent shall have no obligation to notify any other party hereto of an event that may constitute a Listed Event. The District, each Obligated Person and the Disclosure Representative covenant that they will supply, in a timely fashion, any information reasonably requested by the Dissemination Agent that is necessary in order for the Dissemination Agent to carry out its duties under this Disclosure Agreement. The District, the Developer and the Disclosure Representative acknowledge and agree that the information to be collected and disseminated by the Dissemination Agent will be provided by the District, Obligated Person(s), the Disclosure Representative and others. The Dissemination Agent's duties do not include authorship or production of any materials, and the Dissemination Agent shall have no responsibility hereunder for the content of the information provided to it by the District, any Obligated Person or the Disclosure Representative as thereafter disseminated by the Dissemination Agent. Any filings under this Disclosure Agreement made to the MSRB through EMMA shall be in an EMMA compliant format.

13. **Beneficiaries**. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Developer, the Dissemination Agent, the Trustee, the Participating Underwriter and the Owners of the Bonds (the Dissemination Agent, Participating Underwriter and Owners of the

Bonds being hereby deemed express third party beneficiaries of this Disclosure Agreement), and shall create no rights in any other person or entity.

14. **Tax Roll and Budget**. Upon the request of the Dissemination Agent, the Trustee or any Bondholder, the Issuer, through its District Manager, if applicable, agrees to provide such party with a certified copy of its most recent tax roll provided to the Lake County Tax Collector and the Issuer's most recent adopted budget.

15. **Governing Law**. The laws of the State of Florida and Federal law shall govern this Disclosure Agreement and venue shall be any state or federal court having jurisdiction in Lake County, Florida.

16. **Counterparts**. This Disclosure Agreement may be executed in several counterparts and by PDF signature and all of which shall constitute but one and the same instrument.

17. **Trustee Cooperation.** The Issuer represents that the Dissemination Agent is a bona fide agent of the Issuer and the Issuer instructs the Trustee to deliver to the Dissemination Agent at the expense of the Issuer, any information or reports the Dissemination Agent requests in writing.

18. **Binding Effect.** This Disclosure Agreement shall be binding upon each party to this Disclosure Agreement and upon each successor and assignee of each party to this Disclosure Agreement and shall inure to the benefit of, and be enforceable by, each party to this Disclosure Agreement and each successor and assignee of each party to this Disclosure Agreement. Notwithstanding the foregoing, as to the Developer or any assignees or successors thereto that becomes an Obligated Person pursuant to the terms of this Disclosure Agreement, only successor or assignees to such parties who are, by definition, Obligated Persons, shall be bound or benefited by this Disclosure Agreement.

[Signature Page Follows]

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

AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT, AS ISSUER

[SEAL]

By: _____
Chairperson, Board of Supervisors

ATTEST:

By: _____
Assistant Secretary

VK AVALON GROVES, AS DEVELOPER

By: _____
Name: _____
Title: _____

DEVELOPMENT PLANNING & FINANCING GROUP, INC., AS DISSEMINATION AGENT

By: _____
Name: _____
Title: _____

CONSENTED TO AND AGREED TO BY:

DISTRICT MANAGER

DEVELOPMENT PLANNING & FINANCING GROUP, INC., AS DISTRICT MANAGER

By: _____
Name: _____
Title: _____

Acknowledged and agreed to for purposes of
Sections 11, 13 and 17 only:

REGIONS BANK, AS TRUSTEE

By: _____
Name: _____
Title: _____

EXHIBIT A

FORM OF NOTICE TO REPOSITORIES OF FAILURE TO FILE [ANNUAL REPORT] [AUDITED FINANCIAL STATEMENTS][QUARTERLY REPORT]

Name of Issuer:	Avalon Groves Community Development District
Name of Bond Issue:	$_____ original aggregate principal amount of Special Assessment Bonds, Series 2017 (Assessment Area One Project), $_____ original aggregate principal amount of Special Assessment Bonds, Series 2017A-1 (Assessment Area Two Project) and $_____ original aggregate principal amount of Special Assessment Bonds, Series 2017A-2 (Assessment Area Two Project)
Obligated Person(s):	Avalon Groves Community Development District; [_____]
Original Date of Issuance:	January ___, 2017
CUSIP Numbers:	_____

NOTICE IS HEREBY GIVEN that the [Issuer][Obligated Person] has not provided an [Annual Report] [Audited Financial Statements] [Quarterly Report] with respect to the above-named Bonds as required by [Section 3] [Section 5] of the Continuing Disclosure Agreement dated January ___, 2017 by and between the Issuer, the Developer and the Dissemination Agent named therein. The [Issuer][Obligated Person] has advised the undersigned that it anticipates that the [Annual Report] [Audited Financial Statements] [Quarterly Report] will be filed by _____, 20____.

Dated: _____

_____, as Dissemination Agent

By: _____
Name: _____
Title: _____

cc: Issuer
Trustee

FIRST SUPPLEMENTAL TRUST INDENTURE

BETWEEN

AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT

AND

REGIONS BANK

as Trustee

Dated as of _____ 1, 2017

Authorizing and Securing
$_____
AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BONDS, SERIES 2017
(ASSESSMENT AREA ONE)

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THIS FIRST SUPPLEMENTAL TRUST INDENTURE (the "First Supplemental Indenture"), dated as of _____ 1, 2017 between the AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT (together with its successors and assigns, the "Issuer"), a local unit of special-purpose government organized and existing under the laws of the State of Florida, and REGIONS BANK, an Alabama banking corporation duly organized and existing under the laws of the State of Alabama and having a designated corporate trust office in Jacksonville, Florida, as trustee (said banking corporation and any other bank or trust company becoming successor trustee under this First Supplemental Indenture being hereinafter referred to as the "Trustee");

W I T N E S S E T H:

WHEREAS, the Issuer is a local unit of special purpose government duly organized and existing under the provisions of the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), by Ordinance No. 2016-16 enacted by the Board of County Commissioners of Lake County, Florida (the "County"), on April 19, 2016, effective on April 27, 2016 (the "Ordinance"); and

WHEREAS, the premises governed by the Issuer, as described more fully in the Ordinance, consisting of approximately 985 acres of land (herein, the "District Lands" or "District"), are located entirely within the unincorporated area of the County; and

WHEREAS, the Issuer has been created for the purpose of delivering certain community development services and facilities for the benefit of the District Lands; and

WHEREAS, the Issuer has determined to undertake, in one or more stages, the acquisition and/or construction of public improvements and community facilities as set forth in the Act for the special benefit of the District Lands; and

WHEREAS, the Issuer has previously adopted Resolution No. 2016-21 on April 28, 2016 (the "Original Authorizing Resolution"), authorizing the issuance of not to exceed $70,000,000 in aggregate principal amount of its special assessment bonds (the "Bonds") to finance all or a portion of the design, acquisition and construction costs of certain improvements pursuant to the Act for the special benefit of the District Lands or portions thereof and approving the form of and authorizing the execution and delivery of a master trust indenture; and

WHEREAS, the Issuer has determined to create three (3) separate and distinct assessment areas within the District, namely "Assessment Area One," "Assessment Area Two" and "Assessment Area Three" (collectively the "Assessment Areas"); and

WHEREAS, the Series 2017 Bonds (as herein defined) will be issued pursuant to that certain Master Trust Indenture dated as of _____ 1, 2017 by and between the Issuer and the Trustee, the form of which was approved pursuant to the Original Authorizing Resolution (the "Master Indenture") and this First Supplemental Indenture to finance all or a portion of the public infrastructure to be built for the benefit of the assessable lands within Assessment Area One as referred to on Exhibit A attached hereto (herein the "Assessment Area One Project"); and

WHEREAS, VK Avalon Groves LLC, a Florida limited liability company (the "Developer") is the master developer of a residential community to be located within the District and will construct all of the public infrastructure necessary to serve such residential community which will be built in at least three (3) phases to coincide with the aforementioned Assessment Areas, a portion of which will be purchased by the Issuer with a portion of the proceeds of the herein described Series 2017 Bonds (such public infrastructure as described on Exhibit A is herein collectively referred to as the "Assessment Area One Project"); and

WHEREAS, the Issuer has determined to issue a first Series of Bonds, designated as the Avalon Groves Community Development District Special Assessment Bonds, Series 2017 (Assessment Area One) (the "Series 2017 Bonds"), pursuant to the Master Indenture and this First Supplemental Indenture (hereinafter sometimes collectively referred to as the "Indenture"); and

WHEREAS, in the manner provided herein, the proceeds of the Series 2017 Bonds will be used to provide funds for (i) the Costs of acquiring all or a portion of the Assessment Area One Project, (ii) the funding of the Series 2017 Reserve Account, (iii) pay Capitalized Interest on Series 2017 Bonds through _____, and (iv) the payment of the costs of issuance of the Series 2017 Bonds; and

WHEREAS, the Series 2017 Bonds will be secured by a pledge of Assessment Area One Pledged Revenues (as hereinafter defined) to the extent provided herein.

NOW, THEREFORE, THIS FIRST SUPPLEMENTAL INDENTURE WITNESSETH, that to provide for the issuance of the Series 2017 Bonds, the security and payment of the principal or redemption price thereof (as the case may be) and interest thereon, the rights of the Bondholders and the performance and observance of all of the covenants contained herein and in said Series 2017 Bonds, and for and in consideration of the mutual covenants herein contained and of the purchase and acceptance of the Series 2017 Bonds by the Owners thereof, from time to time, and of the acceptance by the Trustee of the trusts hereby created, and intending to be legally bound hereby, the Issuer does hereby assign, transfer, set over and pledge to Regions Bank, as Trustee, its successors in trust and its assigns forever, and grants a lien on all of the right, title and interest of the Issuer in and to the Assessment Area One Pledged Revenues as security for the payment of the principal, redemption or purchase price of (as the case may be) and interest on the Series 2017 Bonds issued hereunder, all in the manner hereinafter provided, and the Issuer further hereby agrees with and covenants unto the Trustee as follows:

TO HAVE AND TO HOLD the same and any other revenues, property, contracts or contract rights, accounts receivable, chattel paper, instruments, general intangibles or other rights and the proceeds thereof, which may, by delivery, assignment or otherwise, be subject to the lien created by the Indenture with respect to the Series 2017 Bonds.

IN TRUST NEVERTHELESS, for the equal and ratable benefit and security of all present and future Owners of the Series 2017 Bonds issued and to be issued under this First Supplemental Indenture, without preference, priority or distinction as to lien or otherwise (except as otherwise specifically provided in this First Supplemental Indenture) of any one Series 2017 Bond over any other Series 2017 Bond, all as provided in the Indenture.

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, or make due provision for the payment of the principal or redemption price of the Series 2017 Bonds issued, secured and Outstanding hereunder and the interest due or to become due thereon, at the times and in the manner mentioned in such Series 2017 Bonds and the Indenture, according to the true intent and meaning thereof and hereof, and the Issuer shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of the Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments this First Supplemental Indenture and the rights hereby granted shall cease and terminate, otherwise this First Supplemental Indenture to be and remain in full force and effect.

ARTICLE I
DEFINITIONS

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

"Acquisition Agreement" shall mean that certain Acquisition and Completion Agreement relating to the acquisition of the Assessment Area One Project, by and between the Developer and the Issuer.

"Arbitrage Certificate" shall mean that certain Arbitrage Certificate, including arbitrage rebate covenants, of the Issuer, dated _____, 2017, relating to certain restrictions on arbitrage under the Code with respect to the Bonds.

"Assessment Area One" shall mean the area within the District described on Exhibit E attached hereto that the Issuer will levy the Assessment Area One Special Assessments.

"Assessment Area One Pledged Revenues" shall mean (a) all revenues received by the Issuer from Assessment Area One Special Assessments levied and collected on the assessable lands within Assessment Area One of the District, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Assessment Area One Special Assessments or from the issuance and sale of tax certificates with respect to such Assessment Area One Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Indenture created and established with respect to or for the benefit of the Series 2017 Bonds; provided, however, that Assessment Area One Pledged Revenues shall not include (A) any moneys transferred to the Series 2017 Rebate Fund and investment earnings thereon, (B) moneys on deposit in the Series 2017 Costs of Issuance Account of the Acquisition and Construction Fund, and (C) "special assessments" levied and collected by the Issuer under Section 190.022 of the Act for maintenance purposes or "maintenance assessments" levied and collected by the Issuer 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), (B) and (C) of this proviso).

"Assessment Area One Special Assessments" shall mean a portion of the Special Assessments levied on the assessable lands within Assessment Area One within the District as a result of the Issuer's acquisition and/or construction of the Assessment Area One Project, corresponding in amount to the debt service on the Series 2017 Bonds and designated as such in the methodology report relating thereto.

"Assessment Resolutions" shall mean Resolution No. 2017-01, Resolution No. 2017-02 and Resolution No. 2017-__ of the Issuer adopted on October 27, 2016, October 27, 2016 and December 22, 2016, respectively, as amended and supplemented from time to time.

"Authorized Denomination" shall mean, with respect to the Series 2017 Bonds, on the date of issuance, in the denominations of $5,000 and any integral multiple thereof provided, however, if any initial beneficial owner does not purchase at least $100,000 of the Series 2017 Bonds at the time of initial delivery of the Series 2017 Bonds, such beneficial owner must either execute and deliver to the Underwriter on the date of delivery of the Series 2017 Bonds the investor letter substantially in the form attached hereto as Exhibit D or otherwise establish to the satisfaction of the Underwriter that such Beneficial Owner is an "accredited investor," as described in Rule 501(a) under Regulation D of the Securities Act of 1933, as amended.

"Bonds" shall mean the Issuer's Special Assessments Bonds issued pursuant to the Master Indenture.

"Capitalized Interest" shall mean interest due or to become due on the Series 2017 Bonds which will be paid, or is expected to be paid, from the proceeds of the Series 2017 Bonds.

"Collateral Assignment" shall mean that certain instrument executed by the Developer in favor of the Issuer whereby all of the material documents necessary to complete the Assessment Area One Project are collaterally assigned as security for the Developer's obligation to pay the Assessment Area One Special Assessments imposed against lands within the Assessment Area One owned by the Developer from time to time.

"Continuing Disclosure Agreement" shall mean the Continuing Disclosure Agreement for the benefit of the owners of the Series 2017 Bonds, dated _____, 2017, by and among the Issuer, the dissemination agent named therein, the Developer and joined by the parties named therein, in connection with the issuance of the Series 2017 Bonds.

"Defeasance Securities" shall mean, with respect to the Series 2017 Bonds, to the extent permitted by law, (a) cash deposits (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in clause (b) hereof), and (b) direct obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of Treasury) which are non-callable and non-prepayable.

"District Manager" shall mean Development Planning Finance Group, Inc., and its successors and assigns.

"Indenture" shall mean collectively, the Master Indenture and this First Supplemental Indenture.

"Interest Payment Date" shall mean May 1 and November 1 of each year, commencing May 1, 2017, any Quarterly Redemption Date and any other date the principal of the Series 2017 Bonds is paid.

"Majority Holders" means the Beneficial Owners of more than fifty percent (50%) of the Outstanding Series 2017 Bonds.

"Master Indenture" shall mean the Master Trust Indenture, dated as of _____ 1, 2017, by and between the Issuer and the Trustee, as supplemented and amended with respect to matters pertaining solely to the Master Indenture or the Series 2017 Bonds (as opposed to supplements or amendments relating to any Series of Bonds other than the Series 2017 Bonds as specifically defined in this First Supplemental Indenture).

"Quarterly Redemption Dates" shall mean February 1, May 1, August 1, and November 1 of any year.

"Paying Agent" shall mean Regions Bank, and its successors and assigns as Paying Agent hereunder.

"Prepayment" shall mean the payment by any owner of property of the amount of the Assessment Area One Special Assessments encumbering its property, in whole or in part, prior to its scheduled due date, including optional prepayments. The term "Prepayment" also means any proceeds received as a result of accelerating and/or foreclosing the Assessment Area One Special Assessments. "Prepayments" shall include, without limitation, Series 2017 Prepayment Principal.

"Redemption Price" shall mean the principal amount of any Series 2017 Bond payable upon redemption thereof pursuant to this First Supplemental Indenture.

"Registrar" shall mean Regions Bank and its successors and assigns as Registrar hereunder.

"Regular Record Date" shall mean the fifteenth day (whether or not a Business Day) of the calendar month next preceding each Interest Payment Date.

"Resolution" shall mean, collectively, (i) Resolution No. 2017-20 of the Issuer adopted on April 28, 2017, pursuant to which the Issuer authorized the issuance of not exceeding $70,000,000 aggregate principal amount of its Bonds to finance the construction or acquisition of public infrastructure within the District, and (ii) Resolution No. 2017-__ of the Issuer adopted on _____, 2017, pursuant to which the Issuer authorized, among other things, the issuance of the Series 2017 Bonds in an aggregate principal amount of not exceeding $_____ to finance the acquisition of all or a portion of the Assessment Area One Project, specifying the details of the Series 2017 Bonds and awarding the Series 2017 Bonds to the Underwriter pursuant to parameters established therein.

"Series 2017 Acquisition and Construction Account" shall mean the Account so designated, established as a separate Account within the Acquisition and Construction Fund pursuant to Section 4.01(a) of this First Supplemental Indenture.

"Series 2017 Bond Redemption Account" shall mean the Series 2017 Bond Redemption Account established as a separate Account within the Bond Redemption Fund pursuant to Section 4.01(g) of this First Supplemental Indenture.

"Series 2017 Bonds" shall mean the $_____ aggregate principal amount of Avalon Groves Community Development District Special Assessment Bonds, Series 2017 (Assessment Area One), to be issued as fully registered Bonds in accordance with the provisions of the Master Indenture and this First Supplemental Indenture, and secured and authorized by the Master Indenture and this First Supplemental Indenture.

"Series 2017 Capitalized Interest Account" shall mean the Account so designated, established as a separate Account within the Debt Service Fund, pursuant to Section 4.01(d) of the First Supplemental Indenture.

"Series 2017 Costs of Issuance Account" shall mean the Account so designated, established as a separate Account within the Acquisition and Construction Fund pursuant to Section 4.01(a) of this First Supplemental Indenture.

"Series 2017 General Redemption Subaccount" shall mean the subaccount so designated, established as a separate subaccount under the Series 2017 Bond Redemption Account pursuant to Section 4.01(g) of this First Supplemental Indenture.

"Series 2017 Interest Account" shall mean the Account so designated, established as a separate Account within the Debt Service Fund pursuant to Section 4.01(d) of this First Supplemental Indenture.

"Series 2017 Optional Redemption Subaccount" shall mean the subaccount so designated, established as a separate subaccount under the Series 2017 Bond Redemption Account pursuant to Section 4.01(g) of this First Supplemental Indenture.

"Series 2017 Prepayment Principal" shall mean the portion of a Prepayment corresponding to the principal amount of Assessment Area One Special Assessments being prepaid pursuant to Section 4.05 of this First Supplemental Indenture or as a result of an acceleration of the Assessment Area One Special Assessments pursuant to Section 170.10, Florida Statutes, if such Assessment Area One Special Assessments are being collected through a direct billing method.

"Series 2017 Prepayment Subaccount" shall mean the subaccount so designated, established as a separate subaccount under the Series 2017 Bond Redemption Account pursuant to Section 4.01(g) of this First Supplemental Indenture.

"Series 2017 Principal Account" shall mean the account so designated, established as a separate account within the Debt Service Fund pursuant to Section 4.01(c) of this First Supplemental Indenture.

"Series 2017 Rebate Fund" shall mean the Fund so designated, established pursuant to Section 4.01(j) of this First Supplemental Indenture.

"Series 2017 Reserve Account" shall mean the Series 2017 Reserve Account established as a separate Account within the Debt Service Reserve Fund pursuant to Section 4.01(f) of this First Supplemental Indenture.

"Series 2017 Reserve Requirement" or "Reserve Requirement" shall mean an amount equal to _____ percent (_____%) of the maximum annual debt service with respect to the initial principal amount of the Series 2017 Bonds. Any amount in the Series 2017 Reserve Account may, upon final maturity or redemption of all Outstanding Series 2017 Bonds be used to pay principal of and interest on the Series 2017 Bonds at that time. The Series 2017 Reserve Requirement shall be equal to $_____.

"Series 2017 Revenue Account" shall mean the Account so designated, established as a separate Account within the Revenue Fund pursuant to Section 4.01(b) of this First Supplemental Indenture.

"Series 2017 Sinking Fund Account" shall mean the Account so designated, established as a separate Account within the Debt Service Fund pursuant to Section 4.01(e) of this First Supplemental Indenture.

"Substantially Absorbed" means the date at least __% of the principal portion of the Series 2017 Special Assessments have been assigned to residential units within the District that have received certificates of occupancy.

"Underwriter" shall mean FMSbonds, Inc., the underwriter of the Series 2017 Bonds.

The words "hereof," "herein," "hereto," "hereby," and "hereunder" (except in the form of Series 2017 Bonds), refer to the entire Indenture.

Every "request," "requisition," "order," "demand," "application," "notice," "statement," "certificate," "consent," or similar action hereunder by the Issuer shall, unless the form or execution thereof is otherwise specifically provided, be in writing signed by the Chairperson or Vice Chairperson and the Treasurer or Assistant Treasurer or the Secretary or Assistant Secretary or Responsible Officer of the Issuer.

All words and terms importing the singular number shall, where the context requires, import the plural number and vice versa.

[END OF ARTICLE I]

ARTICLE II
THE SERIES 2017 BONDS

SECTION 2.01. Amounts and Terms of Series 2017 Bonds; Issue of Series 2017 Bonds. No Series 2017 Bonds may be issued under this First Supplemental Indenture except in accordance with the provisions of this Article and Articles II and III of the Master Indenture.

(a) The total principal amount of Series 2017 Bonds that may be issued under this First Supplemental Indenture is expressly limited to $_____. The Series 2017 Bonds shall be numbered consecutively from R-1 and upwards.

(b) Any and all Series 2017 Bonds shall be issued substantially in the form attached hereto as Exhibit B, with such appropriate variations, omissions and insertions as are permitted or required by the Indenture and with such additional changes as may be necessary or appropriate to conform to the provisions of the Resolution. The Issuer shall issue the Series 2017 Bonds upon execution of this First Supplemental Indenture and satisfaction of the requirements of Section 3.01 of the Master Indenture; and the Trustee shall, at the Issuer's request, authenticate such Series 2017 Bonds and deliver them as specified in the request to the Underwriter.

SECTION 2.02. Execution. The Series 2017 Bonds shall be executed by the Issuer as set forth in the Master Indenture.

SECTION 2.03. Authentication. The Series 2017 Bonds shall be authenticated as set forth in the Master Indenture. No Series 2017 Bond shall be valid until the certificate of authentication shall have been duly executed by the Trustee, as provided in the Master Indenture.

SECTION 2.04. Purpose, Designation and Denominations of, and Interest Accruals on, the Series 2017 Bonds.

(a) The Series 2017 Bonds are being issued hereunder in order to provide funds (i) for the payment of the Costs of acquiring or constructing all or a portion of the Assessment Area One Project, (ii) fund the Series 2017 Reserve Account in an amount equal to the Series 2017 Reserve Requirement; (iii) pay Capitalized Interest through at least _____; and (iv) to pay the costs of issuance of the Series 2017 Bonds. The Series 2017 Bonds shall be designated "Avalon Groves Community Development District Special Assessment Bonds, Series 2017 (Assessment Area One)," and shall be issued as fully registered bonds without coupons in Authorized Denominations.

(b) The Series 2017 Bonds shall be dated as of the date of initial delivery. Interest on the Series 2017 Bonds shall be payable on each Interest Payment Date to maturity or prior redemption. Interest on the Series 2017 Bonds shall be payable from the most recent Interest Payment Date next preceding the date of authentication thereof to which interest has been paid, unless the date of authentication thereof is a May 1 or November 1 to which interest has been paid, in which case from such date of authentication, or unless the date of authentication thereof is prior to May 1, 2017, in which case from the date of initial delivery or unless the date of authentication thereof is between a Record Date and the next succeeding Interest Payment Date, in which case from such Interest Payment Date.

(c) Except as otherwise provided in Section 2.07 of this First Supplemental Indenture in connection with a book entry only system of registration of the Series 2017 Bonds, the principal or Redemption Price of the Series 2017 Bonds shall be payable in lawful money of the United States of America at the designated corporate trust office of the Paying Agent upon presentation of such Series 2017 Bonds. Except as otherwise provided in Section 2.07 of this First Supplemental Indenture in connection with a book entry only system of registration of the Series 2017 Bonds, the payment of interest on the Series 2017 Bonds shall be made on each Interest Payment Date to the Owners of the Series 2017 Bonds by check or draft drawn on the Paying Agent and mailed on the applicable Interest Payment Date to each Owner as such Owner appears on the Bond Register maintained by the Registrar as of the close of business on the Regular Record Date, at his address as it appears on the Bond Register. Any interest on any Series 2017 Bond which is payable, but is not punctually paid or provided for on any Interest Payment Date (hereinafter called "Defaulted Interest") shall be paid to the Owner in whose name the Series 2017 Bond is registered at the close of business on a Special Record Date to be fixed by the Trustee, such date to be not more than fifteen (15) nor less than ten (10) days prior to the date of proposed payment. The Trustee shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class, postage-prepaid, to each Owner of record as of the fifth (5th) day prior to such mailing, at his address as it appears in the Bond Register not less than ten (10) days prior to such Special Record Date. The foregoing notwithstanding, any Owner of Series 2017 Bonds in an aggregate principal amount of at least $1,000,000 shall be entitled to have interest paid by wire transfer to such Owner to the bank account number on file with the Paying Agent, upon requesting the same in a writing received by the Paying Agent at least fifteen (15) days prior to the relevant Record Date, which writing shall specify the bank, which shall be a bank within the continental United States, and bank account number to which interest payments are to be wired. Any such request for interest payments by wire transfer shall remain in effect until rescinded or changed, in a writing delivered by the Owner to the Paying Agent, and any such rescission or change of wire transfer instructions must be received by the Paying Agent at least fifteen (15) days prior to the relevant Record Date.

SECTION 2.05. Debt Service on the Series 2017 Bonds.

(a) The Series 2017 Bonds will mature on November 1 in the years and in the principal amounts, and bear interest at the rates all set forth below, subject to the right of prior redemption in accordance with their terms.

Year	**Amount**	**Interest Rate**

*Term Bonds

(b) Interest on the Series 2017 Bonds will be computed in all cases on the basis of a 360 day year of twelve 30 day months. Interest on overdue principal and, to the extent

lawful, on overdue interest will be payable at the numerical rate of interest borne by the Series 2017 Bonds on the day before the default occurred.

SECTION 2.06. Disposition of Series 2017 Bond Proceeds. From the net proceeds of the Series 2017 Bonds received by the Trustee in the amount of $_____.

(a) $_____ derived from the net proceeds of the Series 2017 Bonds (which is an amount equal to the Series 2017 Reserve Requirement) shall be deposited in the Series 2017 Reserve Account of the Debt Service Reserve Fund;

(b) $_____ derived from the net proceeds of the Series 2017 Bonds shall be deposited in the Series 2017 Capitalized Interest Account of the Debt Service Fund;

(c) $_____ derived from the net proceeds of the Series 2017 Bonds shall be deposited into the Series 2017 Costs of Issuance Account of the Acquisition and Construction Fund for payment of the costs of issuing the Series 2017 Bonds; and

(d) $_____ representing the balance of the net proceeds of the Series 2017 Bonds shall be deposited in the Series 2017 Acquisition and Construction Account of the Acquisition and Construction Fund which the Issuer shall cause to be applied in accordance with Article V of the Master Indenture and the terms of the Acquisition Agreement.

SECTION 2.07. Book-Entry Form of Series 2017 Bonds. The Series 2017 Bonds shall be issued as one fully registered bond for each maturity of Series 2017 Bonds and deposited with The Depository Trust Company ("DTC"), New York, New York, which is responsible for establishing and maintaining records of ownership for its participants.

As long as the Series 2017 Bonds are held in book-entry-only form, Cede & Co. shall be considered the registered owner for all purposes hereof and in the Master Indenture. DTC shall be responsible for maintaining a book-entry-only system for recording the ownership interest of its participants ("DTC Participants") and other institutions that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly ("Indirect Participants"). The DTC Participants and Indirect Participants will be responsible for maintaining records with respect to the beneficial ownership interests of individual purchasers of the Series 2017 Bonds ("Beneficial Owners").

Principal and interest on the Series 2017 Bonds registered in the name of Cede & Co. prior to and at maturity shall be payable directly to Cede & Co. in care of DTC. Disbursal of such amounts to DTC Participants shall be the responsibility of DTC. Payments by DTC Participants to Indirect Participants, and by DTC Participants and Indirect Participants to Beneficial Owners shall be the responsibility of DTC Participants and Indirect Participants and not of DTC, the Trustee or the Issuer.

Individuals may purchase beneficial interests in Authorized Denominations in book-entry-only form, without certificated Series 2017 Bonds, through DTC Participants and Indirect Participants.

During the period for which Cede & Co. is registered owner of the Series 2017 Bonds, any notices to be provided to any Beneficial Owner will be provided to Cede & Co. DTC shall be responsible for notices to DTC Participants and DTC Participants shall be responsible for notices to Indirect Participants, and DTC Participants and Indirect Participants shall be responsible for notices to Beneficial Owners.

The Issuer and the Trustee, if appropriate, shall enter into a blanket letter of representations with DTC providing for such book-entry-only system. Such agreement may be terminated at any time by either DTC or the Issuer in accordance with the procedures of DTC. In the event of such termination, the Issuer shall select another securities depository and in that event, all references herein to DTC or Cede & Co., shall be deemed to be for reference to such successor. If the Issuer does not replace DTC, the Trustee will register and deliver to the Beneficial Owners replacement Series 2017 Bonds in the form of fully registered Series 2017 Bonds in accordance with the instructions from Cede & Co.

In the event DTC, any successor of DTC or the Issuer, but only in accordance with the procedures of DTC, elects to discontinue the book-entry only system, the Trustee shall deliver bond certificates in accordance with the instructions from DTC or its successor and after such time Series 2017 Bonds may be exchanged for an equal aggregate principal amount of Series 2017 Bonds in other Authorized Denominations upon surrender thereof at the designated corporate trust office of the Trustee.

SECTION 2.08. Appointment of Registrar and Paying Agent. The Issuer shall keep, at the designated corporate trust office of the Registrar, books (the "Bond Register") for the registration, transfer and exchange of the Series 2017 Bonds, and hereby appoints Regions Bank, as its Registrar to keep such books and make such registrations, transfers, and exchanges as required hereby. Regions Bank hereby accepts its appointment as Registrar and its duties and responsibilities as Registrar hereunder. Registrations, transfers and exchanges shall be without charge to the Bondholder requesting such registration, transfer or exchange, but such Bondholder shall pay any taxes or other governmental charges on all registrations, transfers and exchanges.

The Issuer hereby appoints Regions Bank as Paying Agent for the Series 2017 Bonds. Regions Bank hereby accepts its appointment as Paying Agent and its duties and responsibilities as Paying Agent hereunder.

SECTION 2.09. Conditions Precedent to Issuance of the Series 2017 Bonds. In addition to complying with the requirements set forth in the Master Indenture in connection with the issuance of the Series 2017 Bonds, all the Series 2017 Bonds shall be executed by the Issuer for delivery to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the Issuer or upon its order, but only upon the further receipt by the Trustee of:

(a) Certified copies of the Assessment Resolutions;

(b) Executed originals of the Master Indenture and this First Supplemental Indenture;

(c) An opinion of Counsel to the District substantially to the effect that (i) the Issuer has been duly established and validly exists as a community development district under

the Act, (ii) the Issuer has good right and lawful authority under the Act to construct or purchase the Assessment Area One Project being financed with the proceeds of the Series 2017 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 own and operate the Assessment Area One Project, (iii) all proceedings undertaken by the Issuer with respect to the Assessment Area One Special Assessments have been in accordance with Florida law, (iv) the Issuer has taken all action necessary to levy and impose the Assessment Area One Special Assessments, and (v) the Assessment Area One Special Assessments are legal, valid and binding liens upon the property against which such Assessment Area One 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;

(d) A certificate of an Authorized Officer to the effect that, upon the authentication and delivery of the Series 2017 Bonds, the Issuer will not be in default in the performance of the terms and provisions of the Master Indenture or this First Supplemental Indenture; and

(e) A copy of the Collateral Assignment.

[END OF ARTICLE II]

ARTICLE III
REDEMPTION OF SERIES 2017 BONDS

SECTION 3.01. Redemption Dates and Prices. The Series 2017 Bonds shall be subject to redemption at the times and in the manner provided in Article VIII of the Master Indenture and in this Article III. All payments of the Redemption Price of the Series 2017 Bonds shall be made on the dates hereinafter required. Except as otherwise provided in this Section 3.01, if less than all the Series 2017 Bonds are to be redeemed pursuant to an extraordinary mandatory redemption, the Trustee shall select the Series 2017 Bonds or portions of the Series 2017 Bonds to be redeemed randomly. Partial redemptions of Series 2017 Bonds shall be made in such a manner that the remaining Series 2017 Bonds held by each Bondholder shall be in Authorized Denominations, except for the last remaining Series 2017 Bond.

The Series 2017 Bonds are subject to redemption prior to maturity in the amounts, at the times and in the manner provided below. All payments of the Redemption Price of the Series 2017 Bonds shall be made on the dates specified below. Upon any redemption of Series 2017 Bonds other than in accordance with scheduled mandatory sinking fund redemptions, the Issuer shall cause to be recalculated and delivered to the Trustee revised mandatory sinking fund redemption amounts recalculated so as to amortize the Outstanding principal amount of Series 2017 Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Series 2017 Bonds. The mandatory sinking fund redemption amounts as so recalculated shall not result in an increase in the aggregate of the mandatory sinking fund redemption amounts for all Series 2017 Bonds in any year. In the event of a redemption or purchase occurring less than forty-five (45) days prior to a date on which a mandatory sinking fund redemption payment is due, the foregoing recalculation shall not be made to the mandatory sinking fund redemption amounts due in the year in which such redemption occurs, but shall be made to the mandatory sinking fund redemption amounts for the immediately succeeding and subsequent years.

(a) Optional Redemption. The Series 2017 Bonds may, at the option of the Issuer, provided written notice hereof has been sent to the Trustee at least forty-five (45) days prior to the redemption date (unless the Trustee will accept less than forty-five (45) days' notice), be called for redemption prior to maturity as a whole or in part, at any time, on or after November 1, _____ (less than all Series 2017 Bonds of a maturity to be selected randomly), at a Redemption Price equal to the principal amount of Series 2017 Bonds to be redeemed, plus accrued interest from the most recent Interest Payment Date to the redemption date from moneys on deposit in the Series 2017 Optional Redemption Subaccount of the Series 2017 Bond Redemption Account.

(b) Extraordinary Mandatory Redemption in Whole or in Part. The Series 2017 Bonds are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole or in part, on any date (other than in the case of clause (i) below which extraordinary mandatory redemption in part must occur on a Quarterly Redemption Date), at a Redemption Price equal to 100% of the principal amount of the Series 2017 Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

(i) from Series 2017 Prepayment Principal deposited into the Series 2017 Prepayment Subaccount of the Series 2017 Bond Redemption Account following the

payment in whole or in part of Assessment Area One Special Assessments on any assessable property within the District in accordance with the provisions of Section 4.05(a) of this First Supplemental Indenture.

(ii) from moneys, if any, on deposit in the Series 2017 Funds, Accounts and subaccounts in the Funds and Accounts (other than the Series 2017 Rebate Fund and the Series 2017 Acquisition and Construction Account) sufficient to pay and redeem all Outstanding Series 2017 Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the Indenture.

(iii) upon the Completion Date, from any funds remaining on deposit in the Series 2017 Acquisition and Construction Account not otherwise reserved to complete the Assessment Area One Project and which have been transferred to the Series 2017 General Redemption Subaccount of the Series 2017 Bond Redemption Account.

(c) Mandatory Sinking Fund Redemption. The Series 2017 Bonds maturing on November 1, ____ are subject to mandatory sinking fund redemption from the moneys on deposit in the Series 2017 Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a redemption price of 100% of their principal amount plus accrued interest to the date of redemption.

Year	Mandatory Sinking Fund Redemption Amount

_____
*Maturity

The Series 2017 Bonds maturing on November 1, _____ are subject to mandatory sinking fund redemption from the moneys on deposit in the Series 2017 Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a redemption price of 100% of their principal amount plus accrued interest to the date of redemption.

Year	Mandatory Sinking Fund Redemption Amount

_____
*Maturity

The Series 2017 Bonds maturing on November 1, ____ are subject to mandatory sinking fund redemption from the moneys on deposit in the Series 2017 Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a redemption price of 100% of their principal amount plus accrued interest to the date of redemption.

Year	Mandatory Sinking Fund Redemption Amount

_____
*Maturity

The Series 2017 Bonds maturing on November 1, ____ are subject to mandatory sinking fund redemption from the moneys on deposit in the Series 2017 Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a redemption price of 100% of their principal amount plus accrued interest to the date of redemption.

Year	Mandatory Sinking Fund Redemption Amount

_____
*Maturity

SECTION 3.02. Notice of Redemption. When required to redeem Series 2017 Bonds under any provision of this First Supplemental Indenture or directed to redeem Series 2017 Bonds by the Issuer, the Trustee shall give or cause to be given to Owners of the

Series 2017 Bonds to be redeemed, notice of the redemption, as set forth in Article VIII of the Master Indenture.

[END OF ARTICLE III]

ARTICLE IV
ESTABLISHMENT OF CERTAIN FUNDS AND ACCOUNTS; ADDITIONAL COVENANTS OF THE ISSUER; PREPAYMENTS; REMOVAL OF SERIES 2017 SPECIAL ASSESSMENT LIENS

SECTION 4.01. Establishment of Certain Funds and Accounts.

(a) The Trustee shall establish a separate account within the Acquisition and Construction Fund designated as the "Series 2017 Acquisition and Construction Account." Proceeds of the Series 2017 Bonds shall be deposited into the Series 2017 Acquisition and Construction Account in the amount set forth in Section 2.06 of this First Supplemental Indenture, together with any moneys transferred to the Series 2017 Acquisition and Construction Account, and such moneys in the Series 2017 Acquisition and Construction Account shall be applied as set forth in Section 5.01 of the Master Indenture. After the Completion Date, any moneys remaining in the Series 2017 Acquisition and Construction Account after payment of all costs of the Assessment Area One Project, as evidenced in writing from the Issuer or from the District Manager, on behalf of the Issuer to the Trustee, shall be transferred to the Series 2017 General Redemption Subaccount of the Series 2017 Bond Redemption Account. Upon presentment to the Trustee of a properly signed requisition in substantially the form attached hereto as Exhibit C, the Trustee shall withdraw moneys from the Series 2017 Acquisition and Construction Account. The Trustee shall not pay any requisition submitted if an Event of Default as to which the Trustee is deemed to have knowledge under the Indenture has occurred and is continuing unless directed in writing by the Majority Holders. Pursuant to the Master Indenture, the Trustee shall establish a separate account within the Acquisition and Construction Fund designated as the "Series 2017 Costs of Issuance Account." Proceeds of the Series 2017 Bonds shall be deposited into the Series 2017 Costs of Issuance Account in the amount set forth in Section 2.06 of this First Supplemental Indenture. Upon presentment to the Trustee of a properly signed requisition in substantially the form attached hereto as Exhibit C, the Trustee shall withdraw moneys from the Series 2017 Costs of Issuance Account to pay the costs of issuing the Series 2017 Bonds. Six months after the issuance of the Series 2017 Bonds, any moneys remaining in the Series 2017 Costs of Issuance Account in excess of the actual costs of issuing the Series 2017 Bonds requested to be disbursed by the Issuer shall be deposited into the Series 2017 Interest Account. Any deficiency in the amount allocated to pay the cost of issuing the Series 2017 Bonds shall be paid from excess Assessment Area One Pledged Revenues on deposit in the Series 2017 Revenue Account.

(b) Pursuant to Section 6.03 of the Master Indenture, the Trustee shall establish a separate Account within the Revenue Fund designated as the "Series 2017 Revenue Account." Assessment Area One Special Assessments (except for Prepayments of Assessment Area One Special Assessments which shall be identified as such by the Issuer to the Trustee and deposited in the Series 2017 Prepayment Subaccount) shall be deposited by the Trustee into the Series 2017 Revenue Account which shall be applied as set forth in Section 6.03 of the Master Indenture and Section 4.02 of this First Supplemental Indenture.

(c) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish a separate Account within the Debt Service Fund designated as the "Series 2017 Principal Account." Moneys shall be deposited into the Series 2017 Principal Account as

provided in Section 6.04 of the Master Indenture and Section 4.02 of this First Supplemental Indenture, and applied for the purposes provided therein.

(d) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish two separate Accounts within the Debt Service Fund designated as the "Series 2017 Interest Account" and the Series 2017 Capitalized Interest Account. Moneys deposited into the Series 2017 Interest Account pursuant to Section 6.04 of the Master Indenture and Section 4.02 of this First Supplemental Indenture and into the Series 2017 Capitalized Interest Account pursuant to Section 2.06 of this First Supplemental Indenture, shall be applied for the purposes provided therein.

(e) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish another separate Account within the Debt Service Fund designated as the "Series 2017 Sinking Fund Account." Moneys shall be deposited into the Series 2017 Sinking Fund Account as provided in Section 6.04 of the Master Indenture and applied for the purposes provided therein and in Section 3.01(c) of this First Supplemental Indenture.

(f) Pursuant to Section 6.05 of the Master Indenture, the Trustee shall establish a separate Account within the Debt Service Reserve Fund designated as the "Series 2017 Reserve Account." Proceeds of the Series 2017 Bonds shall be deposited into the Series 2017 Reserve Account in the amount set forth in Section 2.06 of this First Supplemental Indenture, and such moneys, together with any other moneys deposited into the Series 2017 Reserve Account shall be applied for the purposes provided therein and in this Section 4.01(f) of this First Supplemental Indenture. All investment earnings on moneys in the Series 2017 Reserve Account shall remain on deposit therein.

Notwithstanding any of the foregoing, amounts on deposit in the Series 2017 Reserve Account shall be transferred by the Trustee, in the amounts directed in writing by the Majority Holders of the Series 2017 Bonds to the Series 2017 General Redemption Subaccount of the Series 2017 Bond Redemption Account, if as a result of the application of Article X of the Master Indenture, the proceeds received from lands sold subject to the Assessment Area One Special Assessments and applied to redeem a portion of the Series 2017 Bonds is less than the principal amount of Series 2017 Bonds indebtedness attributable to such lands.

(g) Pursuant to Section 6.06 of the Master Indenture, the Trustee shall establish a separate Series Bond Redemption Account within the Bond Redemption Fund designated as the "Series 2017 Bond Redemption Account" and within such Account, a "Series 2017 General Redemption Subaccount," a "Series 2017 Optional Redemption Subaccount," and a "Series 2017 Prepayment Subaccount." Except as otherwise provided in this First Supplemental Indenture regarding Prepayments or in connection with the optional redemption of the Series 2017 Bonds, moneys to be deposited into the Series 2017 Bond Redemption Account as provided in Section 6.06 of the Master Indenture, shall be deposited to the Series 2017 General Redemption Subaccount of the Series 2017 Bond Redemption Account.

(h) Moneys that are deposited into the Series 2017 General Redemption Subaccount of the Series 2017 Bond Redemption Account (including all earnings on investments held therein) shall be used to call Series 2017 Bonds for the extraordinary mandatory redemption in whole, pursuant to Section 3.01(b)(ii) hereof or in part pursuant to Section 3.01(b)(iii) hereof.

(i) Moneys in the Series 2017 Prepayment Subaccount of the Series 2017 Bond Redemption Account (including all earnings on investments held in such Series 2017 Prepayment Subaccount of the Series 2017 Bond Redemption Account) shall be accumulated therein to be used to call for redemption pursuant to Section 3.01(b)(i) hereof an amount of Series 2017 Bonds equal to the amount of money transferred to the Series 2017 Prepayment Subaccount of the Series 2017 Bond Redemption Account for the purpose of such extraordinary mandatory redemption on the dates and at the price provided in such Section 3.01(b)(i) hereof.

(j) The Issuer hereby directs the Trustee to establish a Series 2017 Rebate Fund designated as the "Series 2017 Rebate Fund." Moneys shall be deposited into the Series 2017 Rebate Fund, as provided in the Arbitrage Certificate and applied for the purposes provided therein.

(k) Moneys on deposit in the Series 2017 Optional Redemption Subaccount shall be used to optionally redeem all or a portion of the Series 2017 Bonds pursuant to Section 3.01(a) hereof.

SECTION 4.02. Series 2017 Revenue Account. The Trustee shall transfer from amounts on deposit in the Series 2017 Revenue Account to the Funds and Accounts designated below, the following amounts, at the following times and in the following order of priority:

FIRST, upon receipt but no later than the Business Day next preceding each May 1 commencing _____ 1, 2017, to the Series 2017 Interest Account of the Debt Service Fund, an amount from the Series 2017 Revenue Account equal to the interest on the Series 2017 Bonds becoming due on the next succeeding May 1, less any amount on deposit in the Series 2017 Interest Account and Series 2017 Capitalized Interest Account not previously credited;

SECOND, upon receipt but no later than the Business Day next preceding each November 1 commencing _____ 1, 2017, to the Series 2017 Interest Account of the Debt Service Fund, an amount from the Series 2017 Revenue Account equal to the interest on the Series 2017 Bonds becoming due on the next succeeding November 1, less any amounts on deposit in the Series 2017 Interest Account and Series 2017 Capitalized Interest Account not previously credited;

THIRD, no later than the Business Day next preceding each November 1, commencing November 1, 20XX, to the Series 2017 Sinking Fund Account of the Debt Service Fund, an amount from the Series 2017 Revenue Account equal to the principal amount of Series 2017 Bonds subject to sinking fund redemption on such November 1, less any amount on deposit in the Series 2017 Sinking Fund Account not previously credited;

FOURTH, no later than the Business Day next preceding the November 1, which is a principal payment date for any Series 2017 Bonds, to the Series 2017 Principal Account of the Debt Service Fund, an amount from the Series 2017 Revenue Account equal to the principal amount of Series 2017 Bonds Outstanding maturing on such November 1, less any amounts on deposit in the Series 2017 Principal Account not previously credited;

FIFTH, upon receipt but no later than the Business Day next preceding each Interest Payment Date while Series 2017 Bonds remain Outstanding, to the Series 2017 Reserve Account, an amount from the Series 2017 Revenue Account equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Reserve Requirement for the Series 2017 Bonds; and

SIXTH, notwithstanding the foregoing, at any time the Series 2017 Bonds are subject to redemption on a date which is not a Quarterly Redemption Date, the Trustee shall be authorized to transfer from the Series 2017 Revenue Account to the Series 2017 Interest Account, the amount necessary to pay interest on the Series 2017 Bonds subject to redemption on such date; and

SEVENTH, subject to the foregoing paragraphs, the balance of any moneys remaining after making the foregoing deposits shall be first deposited into the Series 2017 Costs of Issuance Account to cover any deficiencies in the amount allocated to pay the cost of issuing the Series 2017 Bonds and next, any balance in the Series 2017 Revenue Account shall remain on deposit in such Series 2017 Revenue Account, unless pursuant to the Arbitrage Certificate, it is necessary to make a deposit into the Series 2017 Rebate Fund, in which case, the Issuer shall direct the Trustee to make such deposit thereto.

Notwithstanding that the Issuer has funded the Series 2017 Capitalized Interest Account to pay interest on the Series 2017 Bonds through at least _____ 1, _____, moneys on deposit in the Series 2017 Capitalized Interest Account, including all investment earnings thereon, shall remain on deposit in such Account and be used by the Trustee to pay interest on the Series 2017 Bonds on any subsequent Interest Payment Date if moneys remain after _____ 1, _____. When such Account has been depleted of all funds, the Trustee shall be authorized to close such Account.

SECTION 4.03. Power to Issue Series 2017 Bonds and Create Lien. The Issuer is duly authorized under the Act and all applicable laws of the State to issue the Series 2017 Bonds, to execute and deliver the Indenture and to pledge the Assessment Area One Pledged Revenues for the benefit of the Series 2017 Bonds to the extent set forth herein. The Assessment Area One Pledged Revenues are not and shall not be subject to any other lien senior to or on a parity with the lien created in favor of the Series 2017 Bonds, except as otherwise permitted under the Master Indenture. The Series 2017 Bonds and the provisions of the Indenture are and will be valid and legally enforceable obligations of the Issuer in accordance with their respective terms. The Issuer shall, at all times, to the extent permitted by law, defend, preserve and protect the pledge created by the Indenture and all the rights of the Owners of the Series 2017 Bonds under the Indenture against all claims and demands of all persons whomsoever.

SECTION 4.04. Assessment Area One Project to Conform to Consulting Engineers Report. Upon the issuance of the Series 2017 Bonds, the Issuer will promptly proceed to construct or acquire the Assessment Area One Project, as described in Exhibit A hereto and in the Consulting Engineer's Report relating thereto, all pursuant to the terms and provisions of the Acquisition Agreement.

SECTION 4.05. Prepayments; Removal of Series 2017 Special Assessment Liens.

(a) At any time any owner of property subject to the Assessment Area One Special Assessments may, at its option, or as a result of acceleration of the Assessment Area One Special Assessments because of non-payment thereof, or by operation of law or contractually, including true-up payments, shall require the Issuer to reduce or release and extinguish the lien upon its property by virtue of the levy of the Assessment Area One Special Assessments by paying or causing there to be paid, to the Issuer all or a portion of the Assessment Area One Special Assessment, which shall constitute Series 2017 Prepayment Principal, plus, except as provided below, accrued interest to the next succeeding Interest Payment Date (or the first succeeding Interest Payment Date if such Prepayment is made within 45 calendar days before an Interest Payment Date), attributable to the property subject to Assessment Area One Special Assessment owned by such owner.

(b) Upon receipt of Series 2017 Prepayment Principal as described in paragraph (a) above, subject to satisfaction of the conditions set forth therein, the Issuer shall immediately pay the amount so received to the Trustee, and the Issuer shall take such action as is necessary to record in the official records of the Issuer that the Assessment Area One Special Assessment has been paid in whole or in part and that such Assessment Area One Special Assessment lien is thereby reduced, or released and extinguished, as the case may be.

[END OF ARTICLE IV]

ARTICLE V
COVENANTS AND DESIGNATIONS OF THE ISSUER

SECTION 5.01. Collection of Assessment Area One Special Assessments. Pursuant to the terms and provisions of the Master Indenture and except as provided in the next succeeding sentence, the Issuer shall collect the Assessment Area One Special Assessments relating to the acquisition and construction of the Assessment Area One Project through the Uniform Method of Collection (the "Uniform Method") afforded by Chapter 197, Florida Statutes. Pursuant to the terms and provisions of the Master Indenture, the Issuer shall, pursuant to the provisions of the Assessment Resolutions, directly collect the Assessment Area One Special Assessments levied in lieu of the Uniform Method with respect to any assessable lands which have not yet been platted or the timing for using the Uniform Method will not yet allow for using such method, unless the Trustee, at the direction of the Majority Holders, directs the Issuer, in writing, otherwise. In addition, and not in limitation of, the covenants contained elsewhere in this First Supplemental Indenture and in the Master Indenture, the Issuer covenants to comply with the terms of the proceedings heretofore adopted with respect to the Assessment Area One Special Assessments, and to levy the Assessment Area One Special Assessments in such manner as will generate funds sufficient to pay debt service on the Series 2017 Bonds when due. All Assessment Area One Special Assessments that are collected directly by the Issuer shall be due and payable by the landowner not later than thirty (30) days prior to each Interest Payment Date.

SECTION 5.02. Continuing Disclosure. Contemporaneously with the execution and delivery hereof, the Issuer has executed and delivered a Continuing Disclosure Agreement in order to comply with the requirements of Rule 15c2-12 promulgated under the Securities and Exchange Act of 1934. The Issuer covenants and agrees to comply with the provisions of such Continuing Disclosure Agreement applicable to it; however, as set forth therein, failure to so comply shall not constitute and Event of Default hereunder, but shall instead be enforceable by mandamus or any other means of specific performance.

SECTION 5.03. Investment of Funds and Accounts. The provisions of Section 7.02 of the Master Indenture shall apply to the investment and reinvestment of moneys in the Series 2017 Accounts and subaccounts therein created hereunder.

SECTION 5.04. Additional Bonds. The Issuer covenants not to issue any other Bonds or other debt obligations secured by Assessment Area One Special Assessments levied against the assessable lands within Assessment Area One. Such covenant shall not prohibit the Issuer from issuing refunding bonds.

In addition, except as set forth in the additional bonds test described above with respect to the financing of the Assessment Area One Project, the Issuer covenants not to issue any other Bonds or other debt obligations secured by Special Assessments on assessable lands within Assessment Area One of the District which are also secured by the Assessment Area One Special Assessments unless [To Come]. The Trustee and the Issuer may rely on a certificate from the District Manager regarding such status of [platting, absorption and the Assessment Area One Special Assessments.] Notwithstanding any of the foregoing, the Issuer shall not be precluded from imposing Special Assessments or non-ad valorem assessments on lands within the District for purposes of remediating any natural disaster, catastrophic damage or failure that has occurred

with respect to the Assessment Area One Project or any component thereof. **[NEEDS TO BE REVISED]**

SECTION 5.05. Requisite Owners for Direction or Consent. Anything in the Master Indenture to the contrary notwithstanding, any direction or consent or similar provision which requires more than fifty percent (50%) of the Owners, shall in each case be deemed to refer to, and shall mean, the Majority Holders.

SECTION 5.06. Acknowledgement Regarding Series 2017 Acquisition and Construction Account Moneys Following an Event of Default. In accordance with the provisions of the Indenture, upon the occurrence of an Event of Default with respect to the Series 2017 Bonds, the Series 2017 Bonds are payable solely from the Assessment Area One Pledged Revenues and any other moneys held by the Trustee under the Indenture for such purpose. Anything in the Indenture to the contrary notwithstanding and provided, however, that such actions shall not affect the tax-exempt status of the Bonds, the Issuer hereby acknowledges that, upon the occurrence of an Event of Default with respect to the Series 2017 Bonds, (i) the Assessment Area One Pledged Revenues include, without limitation, all amounts on deposit in the Series 2017 Acquisition and Construction Account of the Acquisition and Construction Fund then held by the Trustee, (ii) the Assessment Area One Pledged Revenues may not be used by the Issuer (whether to pay costs of a portion of the Assessment Area One Project or otherwise) without the consent of the Majority Holders, and (iii) the Assessment Area One Pledged Revenues may be used by the Trustee, at the direction or with the approval of the Majority Holders, to pay the reasonable costs and expenses incurred in connection with the pursuit of remedies under the Indenture. Prior to any action by the Trustee under this Section 5.06 or Section 10.05 of the Master Trust Indenture, the Majority Holders shall provide the Issuer an indemnification regarding such actions so directed. The Issuer also acknowledges and agrees that from and after an Event of Default, the Trustee is authorized to exercise the Issuer's rights under the Collateral Assignment at the direction of the Majority Holders but without the consent or approval of the Issuer and the Issuer covenants not to enter into any contract regarding the Assessment Area One Project from and after an Event of Default without the written direction of the Majority Holders.

[END OF ARTICLE V]

ARTICLE VI
THE TRUSTEE; THE PAYING AGENT AND REGISTRAR

SECTION 6.01. Acceptance of Trust. The Trustee accepts and agrees to execute the trusts hereby created and agrees to perform such trusts upon the terms and conditions set forth in the Indenture. The Trustee agrees to act as Paying Agent and Registrar for the Series 2017 Bonds.

SECTION 6.02. Trustee's Duties. The Trustee shall not be responsible in any manner for the due execution of this First Supplemental Indenture by the Issuer or for the recitals contained herein (except for the certificate of authentication on the Series 2017 Bonds), all of which are made solely by the Issuer. Except as otherwise expressly stated in this First Supplemental Indenture, nothing contained herein shall limit the rights, benefits, privileges, protection and entitlement inuring to the Trustee under the Master Indenture.

[END OF ARTICLE VI]

ARTICLE VII
MISCELLANEOUS PROVISIONS

SECTION 7.01. Interpretation of First Supplemental Indenture. This First Supplemental Indenture amends and supplements the Master Indenture with respect to the Series 2017 Bonds, and all of the provisions of the Master Indenture, to the extent not inconsistent herewith, are incorporated in this First Supplemental Indenture by reference. To the maximum extent possible, the Master Indenture and the First Supplemental Indenture shall be read and construed as one document.

SECTION 7.02. Amendments. Any amendments to this First Supplemental Indenture shall be made pursuant to the provisions for amendment contained in the Master Indenture.

SECTION 7.03. Counterparts. This First Supplemental Indenture may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.

SECTION 7.04. Appendices and Exhibits. Any and all schedules, appendices or exhibits referred to in and attached to this First Supplemental Indenture are hereby incorporated herein and made a part of this First Supplemental Indenture for all purposes.

SECTION 7.05. Payment Dates. In any case in which an Interest Payment Date or the maturity date of the Series 2017 Bonds or the date fixed for the redemption of any Series 2017 Bonds shall be other than a Business Day, then payment of interest, principal or Redemption Price need not be made on such date but may be made on the next succeeding Business Day, with the same force and effect as if made on the due date, and no interest on such payment shall accrue for the period after such due date if payment is made on such next succeeding Business Day.

SECTION 7.06. No Rights Conferred on Others. Nothing herein contained shall confer any right upon any Person other than the parties hereto and the Holders of the Series 2017 Bonds.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, Avalon Groves Community Development District has caused this First Supplemental Trust Indenture to be executed by the Chairperson of its Board of Supervisors and its corporate seal to be hereunto affixed and attested by the Secretary of its Board of Supervisors and Regions Bank has caused this First Supplemental Trust Indenture to be executed by one of its authorized signatories, all as of the day and year first above written.

AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT

[SEAL]

Attest:

By: _____
Name: _____
Title: Chairperson, Board of Supervisors

By: _____
Name: _____
Title: Secretary, Board of Supervisors

REGIONS BANK, as Trustee, Paying Agent and Registrar

By: _____
Name: Janet Ricardo
Title: Vice President and Trust Officer

STATE OF FLORIDA)
) SS:
COUNTY OF _____)

On this ____ day of _____, 2017, before me, a notary public in and for the State and County aforesaid, personally appeared _____ and _____, Chairperson and Secretary, respectively, of Avalon Groves Community Development District (the "Issuer"), who acknowledged that they did so sign the foregoing instrument as such officers, respectively, for and on behalf of said Issuer; that the same is their free act and deed as such officers, respectively, and the free act and deed of said Issuer; and that the seal affixed to said instrument is the seal of said Issuer; that they respectively appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said Issuer, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year in this certificate first above written.

NOTARY PUBLIC, STATE OF FLORIDA

_____
(Name of Notary Public, Print, Stamp or Type as Commissioned)

☐ Personally known to me, or
☐ Produced identification:

_____
(Type of Identification Produced)

STATE OF FLORIDA)
) SS:
COUNTY OF DUVAL)

On this ____ day of _____, 2017, before me, a notary public in and for the State and County aforesaid, personally appeared Janet Ricardo, a Vice President and Trust Officer of Regions Bank, as trustee (the "Trustee"), who acknowledged that he did so sign said instrument as such officer for and on behalf of the Trustee; that the same is his free act and deed as such officer and the free act and deed of the Trustee; that he appeared before me on this day in person and acknowledged that he, being thereunto duly authorized, signed, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year in this certificate first above written.

NOTARY PUBLIC, STATE OF FLORIDA

_____
(Name of Notary Public, Print, Stamp or Type as Commissioned)

☐ Personally known to me, or
☐ Produced identification:

_____
(Type of Identification Produced)

EXHIBIT A

DESCRIPTION OF ASSESSMENT AREA ONE PROJECT

The Assessment Area One Project includes the public infrastructure described in the Engineer's Report prepared by Heidt Design, LLC, dated October 11, 2017.

Stormwater management and control facilities, including, but not limited to, related earthwork;
Water and wastewater systems;
Onsite and offsite roadway improvements, including street lighting;
Irrigation for public property;
Landscaping in public rights-of-way including, but not limited to, entrance features; and
All related soft and incidental costs.

EXHIBIT B

[FORM OF SERIES 2017 BOND]

R-1 **$_____**

UNITED STATES OF AMERICA
STATE OF FLORIDA
COUNTY OF LAKE
AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BOND, SERIES 2017
(ASSESSMENT AREA ONE)

Interest Rate	Maturity Date	Date of Original Issuance	CUSIP
_____%	November 1, _____		

Registered Owner:----------Cede & Co.----------

Principal Amount:--

KNOW ALL PERSONS BY THESE PRESENTS that the Avalon Groves Community Development District (the "Issuer"), for value received, hereby promises to pay to the registered owner shown above or registered assigns, on the date specified above, from the sources hereinafter mentioned, upon presentation and surrender hereof (except while the herein defined Series 2017 Bonds are in book-entry only form such presentation shall only be required at final maturity or final payment of the Series 2017 Bonds), at the designated corporate trust office of Regions Bank, as paying agent (said Regions Bank and any successor paying agent being herein called the "Paying Agent"), the Principal Amount set forth above (with interest thereon at the Interest Rate per annum set forth above, computed on 360-day year of 30-day months), said principal payable on the Maturity Date stated above. Principal of this Bond is payable at the designated corporate trust office of Regions Bank, in lawful money of the United States of America. Interest on this Bond is payable by check or draft of the Paying Agent made payable to the registered owner and mailed on each May 1 and November 1, commencing _____ 1, 2017 to the address of the registered owner as such name and address shall appear on the registry books of the Issuer maintained by Regions Bank, as Registrar (said Regions Bank and any successor registrar being herein called the "Registrar") at the close of business on the fifteenth day of the calendar month preceding each interest payment date or the date on which the principal of a Bond is to be paid (the "Record Date"). Such interest shall be payable from the most recent interest payment date next preceding the date of authentication hereof to which interest has been paid, unless the date of authentication hereof is a May 1 or November 1 to which interest has been paid, in which case from the date of authentication hereof, or unless such date of authentication is prior to _____ 1, 2017, in which case from the date of initial delivery, or unless the date of authentication hereof is between a Record Date and the next succeeding interest payment date, in which case from such interest payment date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such Record Date and may be paid to the person in whose name this Bond is registered at the close of business on a Special Record Date for the payment of such defaulted

interest to be fixed by Regions Bank, as Trustee (said Regions Bank and any successor trustee being herein called the "Trustee"), notice whereof shall be given to Bondholders of record as of the fifth (5th) day prior to such mailing, at their registered addresses, not less than ten (10) days prior to such Special Record Date, or may be paid, at any time in any other lawful manner, as more fully provided in the Indenture (defined below). Any capitalized term used in this Bond and not otherwise defined shall have the meaning ascribed to such term in the Indenture.

THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY OUT OF THE PLEDGED REVENUES PLEDGED THEREFOR UNDER THE INDENTURE AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE ISSUER, LAKE COUNTY, FLORIDA (THE "COUNTY"), THE STATE OF FLORIDA (THE "STATE"), OR ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE BONDS, EXCEPT THAT THE ISSUER IS OBLIGATED UNDER THE INDENTURE TO LEVY AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, ASSESSMENT AREA ONE SPECIAL ASSESSMENTS (AS DEFINED IN THE INDENTURE) TO SECURE AND PAY THE SERIES 2017 BONDS. THE SERIES 2017 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER, THE COUNTY, THE STATE, OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Indenture until it shall have been authenticated by execution of the Trustee of the certificate of authentication endorsed hereon.

This Bond is one of an authorized issue of Series 2017 Bonds of the Avalon Groves Community Development District, a community development district duly created, organized and existing under Chapter 190, Florida Statutes (the Uniform Community Development District Act of 1980), as amended (the "Act"), and Ordinance 2017-16 enacted by the Board of County Commissioners of Lake County, Florida on April 19, 2016, effective on April 27, 2016, designated as "Avalon Groves Community Development District Special Assessment Bonds, Series 2017 (Assessment Area One)" (the "Bonds" or the "Series 2017 Bonds"), in the aggregate principal amount of _____ MILLION _____ THOUSAND AND 00/100 DOLLARS ($_____.00) of like date, tenor and effect, except as to number, denomination, interest rate and maturity date. The Series 2017 Bonds are being issued under authority of the laws and Constitution of the State of Florida, including particularly the Act, to pay the costs of constructing and/or acquiring a portion of the Assessment Area One Project (as defined in the herein referred to Indenture). The Series 2017 Bonds shall be issued as fully registered bonds in authorized denominations, as set forth in the Indenture. The Bonds are issued under and secured by a Master Trust Indenture dated as of _____ 1, 2017 (the "Master Indenture"), as amended and supplemented by a First Supplemental Trust Indenture dated as of _____ 1, 2017 (the "First Supplemental Indenture" and together with the Master Indenture, the "Indenture"), each by and between the Issuer and the Trustee, executed counterparts of which are on file at the designated corporate trust office of the Trustee in Jacksonville, Florida.

Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of the Series 2017 Bonds issued under the

Indenture, the operation and application of the Debt Service Fund, the Series 2017 Reserve Account within the Debt Service Reserve Fund and other Funds and Accounts (each as defined in the Indenture) charged with and pledged to the payment of the principal of and the interest on the Series 2017 Bonds, the levy and the evidencing and certifying for collection, of the Assessment Area One Special Assessments, the nature and extent of the security for the Series 2017 Bonds, the terms and conditions on which the Series 2017 Bonds are issued, the rights, duties and obligations of the Issuer and of the Trustee under the Indenture, the conditions under which such Indenture may be amended without the consent of the registered owners of the Series 2017 Bonds, the conditions under which such Indenture may be amended with the consent of the Majority Holders of the Series 2017 Bonds outstanding, and as to other rights and remedies of the registered owners of the Series 2017 Bonds.

The owner of this 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.

It is expressly agreed by the owner of this Bond that such owner shall never have the right to require or compel the exercise of the ad valorem taxing power of the Issuer, the County, the State or any other political subdivision thereof, or taxation in any form of any real or personal property of the Issuer, the County, the State or any other political subdivision thereof, for the payment of the principal of and interest on this Bond or the making of any other sinking fund and other payments provided for in the Indenture, except for Assessment Area One Special Assessments to be assessed and levied by the Issuer as set forth in the Indenture.

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

This Bond is payable from and secured by Assessment Area One Pledged Revenues, as such term is defined in the Indenture, all in the manner provided in the Indenture. The Indenture provides for the levy and the evidencing and certifying, of non-ad valorem assessments in the form of Assessment Area One Special Assessments to secure and pay the Bonds.

The Series 2017 Bonds are subject to redemption prior to maturity in the amounts, at the times and in the manner provided below. All payments of the redemption price of the Series 2017 Bonds shall be made on the dates specified below. Upon any redemption of Series 2017 Bonds other than in accordance with scheduled mandatory sinking fund redemption, the Issuer shall cause to be recalculated and delivered to the Trustee revised mandatory sinking fund redemption amounts recalculated so as to amortize the Outstanding principal amount of Series 2017 Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Series 2017 Bonds. The mandatory sinking fund redemption amounts as so recalculated shall not result in an increase in the aggregate of the mandatory sinking fund redemption amounts for all Series 2017 Bonds in any year. In the event of a redemption or purchase occurring less than 45 days prior to a date on which a mandatory sinking fund redemption payment is due, the foregoing recalculation shall not be made to the mandatory sinking fund redemption amounts due in the

year in which such redemption or purchase occurs, but shall be made to the mandatory sinking fund redemption amounts for the immediately succeeding and subsequent years.

Optional Redemption

The Series 2017 Bonds are subject to redemption prior to maturity at the option of the Issuer, as a whole or in part, at any time, on or after November 1, ____ (less than all Series 2017 Bonds of a maturity to be selected randomly), at a Redemption Price equal to the principal amount of the Series 2017 Bonds to be redeemed, plus accrued interest from the most recent Interest Payment Date to the redemption date.

Mandatory Sinking Fund Redemption

The Series 2017 Bonds maturing on November 1, ____ are subject to mandatory sinking fund redemption from the moneys on deposit in the Series 2017 Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a redemption price of 100% of their principal amount plus accrued interest to the date of redemption.

Year	Mandatory Sinking Fund Redemption Amount

_____
*Maturity

The Series 2017 Bonds maturing on November 1, ____ are subject to mandatory sinking fund redemption from the moneys on deposit in the Series 2017 Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a redemption price of 100% of their principal amount plus accrued interest to the date of redemption.

Year	Mandatory Sinking Fund Redemption Amount

_____
*Maturity

The Series 2017 Bonds maturing on November 1, ____ are subject to mandatory sinking fund redemption from the moneys on deposit in the Series 2017 Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a redemption price of 100% of their principal amount plus accrued interest to the date of redemption.

Year	Mandatory Sinking Fund Redemption Amount

_____
*Maturity

The Series 2017 Bonds maturing on November 1, ____ are subject to mandatory sinking fund redemption from the moneys on deposit in the Series 2017 Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a redemption price of 100% of their principal amount plus accrued interest to the date of redemption.

Year	Mandatory Sinking Fund Redemption Amount

_____
*Maturity

Extraordinary Mandatory Redemption in Whole or in Part

The Bonds are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole or in part on any date (other than in the case of clause (i) below which extraordinary mandatory redemption in part must occur on a Quarterly Redemption Date), at an extraordinary mandatory redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus interest accrued to the redemption date.

(i) from Series 2017 Prepayment Principal deposited into the Series 2017 Prepayment Subaccount of the Series 2017 Bond Redemption Account following the payment in whole or in part of Assessment Area One Special Assessments on any assessable lands within the District in accordance with the provisions of Section 4.05(a) of the First Supplemental Indenture.

(ii) from moneys, if any, on deposit in the Series 2017 Funds, Accounts and Subaccounts in the Funds and Accounts (other than the Series 2017 Rebate Fund and the Series 2017 Acquisition and Construction Account) sufficient to pay and redeem all Outstanding Series 2017 Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the Indenture.

(iii) upon the Completion Date, from any funds remaining on deposit in the Series 2017 Acquisition and Construction Account not otherwise reserved to complete the Assessment Area One Project and which have been transferred to the Series 2017 General Redemption Subaccount of the Series 2017 Bond Redemption Account.

Except as otherwise provided in the Indenture, if less than all of the Bonds subject to redemption shall be called for redemption, the particular such Bonds or portions of such Bonds to be redeemed shall be selected randomly by the Trustee, as provided in the Indenture.

Notice of each redemption of the Bonds is required to be mailed by the Trustee, by first class mail, postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the redemption date to each Registered Owner of the Bonds to be redeemed at the address of such Registered Owner recorded on the bond register maintained by the Registrar. On the date designated for redemption, notice having been given and money for the payment of the Redemption Price being held by the Trustee or the Paying Agent, all as provided in the Indenture, the 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 Bonds or such portions thereof on such date, interest on such Bonds or such portions thereof so called for redemption shall cease to accrue, such 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 Bonds or such portions thereof so called for redemption except to receive payments of the Redemption Price thereof so held by the Trustee or the Paying Agent. Notwithstanding the foregoing, the Trustee is authorized to give conditional notice of redemption as provided in the Indenture.

The Owner of this 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 Bond which remain unclaimed for three (3) years after the date when such Bond has become due and payable, either at its stated maturity date or by call for earlier redemption shall be paid to the Issuer, thereupon and thereafter no claimant shall have any rights against the Trustee or Paying Agent to or in respect of such moneys.

If the Issuer deposits or causes to be deposited with the Trustee funds or Defeasance Securities (as defined in the Master Indenture) sufficient to pay the principal or Redemption Price of any Series 2017 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 Bonds as to the trust estate with respect to such Bonds shall be discharged, except for the rights of the Owners thereof with respect to the funds so deposited as provided in the Indenture.

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

The Issuer shall keep books for the registration of the Series 2017 Bonds at the designated corporate trust office of the Registrar in Jacksonville, Florida. Subject to the restrictions contained in the Indenture, the Series 2017 Bonds may be transferred or exchanged by the registered owner thereof in person or by his attorney duly authorized in writing only upon the books of the Issuer kept by the Registrar and only upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney. In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Issuer shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds in authorized form and in like aggregate principal amount in accordance with the provisions of the Indenture. Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Trustee, Paying Agent or the Registrar, duly executed by the Bondholder or his attorney duly authorized in writing. Transfers and exchanges shall be made without charge to the Bondholder, except that the Issuer or the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Series 2017 Bonds.

The Issuer, the Trustee, the Paying Agent and the Registrar shall deem and treat the person in whose name any Bond shall be registered upon the books kept by the Registrar as the absolute owner thereof (whether or not such Bond shall be overdue) for the purpose of receiving payment of or on account of the principal of, premium, if any, and interest on such Bond as the same becomes due, and for all other purposes. All such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon

such Bond to the extent of the sum or sums so paid, and neither the Issuer, the Trustee, the Paying Agent, nor the Registrar shall be affected by any notice to the contrary.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen, and to be performed, precedent to and in connection with the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the laws and Constitution of the State of Florida applicable thereto, including particularly the Act, and that the issuance of this Bond, and of the issue of the Series 2017 Bonds of which this Bond is one, is in full compliance with all constitutional and statutory limitations or provisions.

IN WITNESS WHEREOF, Avalon Groves Community Development District has caused this Bond to be signed by the facsimile signature of the Chairperson of its Board of Supervisors and a facsimile of its seal to be imprinted hereon, and attested by the facsimile signature of the Assistant Secretary of its Board of Supervisors, all as of the date hereof.

AVALON GROVES COMMUNITY
DEVELOPMENT DISTRICT

By: _____
Chairperson, Board of Supervisors

(SEAL)

Attest:

By:_____
Secretary, Board of Supervisors

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Series 2017 Bonds delivered pursuant to the within mentioned Indenture.

Date of Authentication: _____

REGIONS BANK, as Trustee

By: _____
Vice President and Trust Officer

STATEMENT OF VALIDATION

This Bond is one of a series of Series 2017 Bonds which were validated by judgment of the Circuit Court of the Fifth Judicial Circuit of Florida, in and for Lake County, Florida, rendered on the 22nd day of June, 2016.

AVALON GROVES COMMUNITY
DEVELOPMENT DISTRICT

By: _____
Chairperson, Board of Supervisors

(SEAL)

Attest:

By:_____
Secretary, Board of Supervisors

ABBREVIATIONS

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

TEN COM	-	as tenants in common
TEN ENT	-	as tenants by the entireties
JT TEN	-	as joint tenants with rights of survivorship and not as tenants in common

UNIFORM TRANSFER MIN ACT - _____ Custodian _____
(Cust) (Minor)

Under Uniform Transfer to Minors Act_____
(State)

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

ASSIGNMENT AND TRANSFER

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

_____

(please print or typewrite name and address of assignee)

_____

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

_____

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

Signature Guarantee:

_____

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

_____

Please insert social security or other identifying number of Assignee.

_____

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

EXHIBIT C

FORMS OF REQUISITIONS

AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BONDS, SERIES 2017
(ASSESSMENT AREA ONE)

(Acquisition and Construction)

The undersigned, a Responsible Officer of the Avalon Groves Community Development District (the "District") hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture between the District and Regions Bank, as trustee (the "Trustee"), dated as of _____ 1, 2017, as supplemented by that certain First Supplemental Trust Indenture dated as of _____ 1, 2017 (collectively, the "Indenture") (all capitalized terms used herein shall have the meaning ascribed to such term in the Indenture):

(A) Requisition Number:

(B) Identify Acquisition Agreement, if applicable:

(C) Name of Payee pursuant to Acquisition Agreement:

(D) Amount Payable:

(E) Purpose for which paid or incurred (refer also to specific contract if amount is due and payable pursuant to a contract involving progress payments):

(F) Fund or Account and subaccount, if any, from which disbursement to be made:

Series 2017 Acquisition and Construction Account of the Acquisition and Construction Fund.

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 Series 2017 Acquisition and Construction Account;

3. each disbursement set forth above was incurred in connection with the acquisition and/or construction of the Assessment Area One Project; and

4. each disbursement represents a Cost of the Assessment Area One Project which has not previously been paid.

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.

Originals of the invoice(s) from the vendor of the property acquired or the services rendered with respect to which disbursement is hereby requested are on file with the District.

AVALON GROVES COMMUNITY
DEVELOPMENT DISTRICT

By: _____
Responsible Officer

Date:_____

CONSULTING ENGINEER'S APPROVAL

The undersigned Consulting Engineer hereby certifies that this disbursement is for the Cost of the Assessment Area One Project and is consistent with: (i) the Acquisition Agreement; and (ii) the report of the Consulting Engineer, as such report shall have been amended or modified.

_____
Consulting Engineer

AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BONDS, SERIES 2017
(Assessment Area One)

(Costs of Issuance)

The undersigned, a Responsible Officer of the Avalon Groves Community Development District (the "District") hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture between the District and Regions Bank, as trustee (the "Trustee"), dated as of _____ 1, 2017, as supplemented by that certain First Supplemental Trust Indenture dated as of _____ 1, 2017 (collectively, the "Indenture") (all capitalized terms used herein shall have the meaning ascribed to such term in the Indenture):

(A) Requisition Number:

(B) Amount Payable:

(C) Purpose for which paid or incurred: Costs of Issuance

(D) Fund or Account and subaccount, if any, from which disbursement to be made:

Series 2017 Costs of Issuance Account of the Acquisition and Construction Fund

The undersigned hereby certifies that:

1. this requisition is for costs of issuance payable from the Series 2017 Costs of Issuance Account that have not previously been paid;
2. each disbursement set forth above is a proper charge against the Series 2017 Costs of Issuance Account;
3. each disbursement set forth above was incurred in connection with the issuance of the Series 2017 Bonds; and
4. each disbursement represents a cost of issuance which has not previously been paid.

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.

Attached hereto are originals of the invoice(s) from the vendor of the services rendered with respect to which disbursement is hereby requested.

AVALON GROVES COMMUNITY
DEVELOPMENT DISTRICT

By: _____
Responsible Officer

Date: _____

EXHIBIT D

FORM OF INVESTOR LETTER

[Date]

Avalon Groves Community Development District
c/o DPFG, Inc.
15310 Amberly Drive, Suite 175
Tampa, Florida 33647
Attention: Maik Aagaard

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

Re: $_____ Avalon Groves Community Development District Special Assessment Bonds, Series 2017 (Assessment Area One)

Ladies and Gentlemen:

The undersigned is authorized to sign this letter [on behalf of Name of Non-Individual Investor], as the beneficial owner (the "Investor") of $_____ of the above-referenced Bonds [state maturing on November 1, _____, bearing interest at the rate of ___% per annum and CUSIP #] (herein, the "Investor Bonds").

The undersigned acknowledges that the Bonds were issued for the purpose of providing a portion of the funds necessary to finance the acquisition and construction of certain public infrastructure described in the herein defined Offering Document (the "Issuer"). The undersigned further acknowledges that the Bonds, which include the Investor Bonds, are secured under that certain Master Trust Indenture, dated as of _____ 1, 2017 (the "Master Indenture") and a First Supplemental Trust Indenture dated as of _____1, 2017 ("First Supplement" and, collectively with the Master Indenture, the "Indenture"), between the Issuer and Regions Bank, as trustee (the "Trustee"), which creates a security interest in the trust estate described therein (the "Security") for the benefit of the Owners of the Bonds. In connection with the purchase of the Investor Bonds by the Investor, the Investor hereby makes the following representations upon which you may rely:

1. The Investor has authority to purchase the Investor Bonds and to execute this letter, any other instruments and documents required to be executed by the Investor in connection with the purchase of the Investor Bonds.

2. The Investor meets the criteria of an "accredited investor" as described in one or more of the categories derived from Rule 501(a) under Regulation D of the Securities Act of 1933, as amended (the "Securities Act") summarized below, and therefore, has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations including those which are not rated or credit-enhanced, to be able to evaluate the risks and merits of the investment represented by the Bonds. Please check the appropriate box below to indicate the type of accredited investor:

❑ a bank, insurance company, registered investment company, business development company, or small business investment company;

❑ an employee benefit plan, within the meaning of the Employee Retirement Income Security Act, if a bank, insurance company, or registered investment adviser makes the investment decisions, or if the plan has total assets in excess of $5 million;

❑ a charitable organization, corporation, or partnership with assets exceeding $5 million;

❑ a business in which all the equity owners are "accredited investors";

❑ a natural person who has individual net worth, or joint net worth with the person's spouse, that exceeds $1 million at the time of the purchase, excluding the value of the primary residence of such person, except that mortgage indebtedness on the primary residence shall not be included as a liability;

❑ a natural person with income exceeding $200,000 in each of the two most recent years or joint income with a spouse exceeding $300,000 for those years and a reasonable expectation of the same income level in the current year; or

❑ a trust with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring the Investor Bonds whose purchase is directed by a sophisticated person.

3. The Investor has been supplied with an (electronic) copy of the Preliminary Limited Offering Memorandum dated _____, 2017 of the Issuer and relating to the Bonds (the "Offering Document") and has reviewed the Offering Document and represents that such Offering Document has provided full and meaningful disclosure in order to make an informed decision to invest in the Investor Bonds.

Capitalized terms used herein and not otherwise defined have the meanings given to such terms in the Indenture.

Very truly yours,

[Name], [Type of Entity]

By: _____
Name: _____
Title: _____
Date: _____

Or

_____
[Name], an Individual

EXHIBIT E

MAP OF ASSESSMENT AREA ONE

WPB 383739921v9/166843.010100

SECOND SUPPLEMENTAL TRUST INDENTURE

BETWEEN

AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT

AND

REGIONS BANK

as Trustee

Dated as of _____ 1, 2017

Authorizing and Securing
$_____
AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BONDS, SERIES 2017A-1
(ASSESSMENT AREA TWO PROJECT)

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THIS SECOND SUPPLEMENTAL TRUST INDENTURE (the "Second Supplemental Indenture"), dated as of _____ 1, 2017 between the AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT (together with its successors and assigns, the "Issuer"), a local unit of special-purpose government organized and existing under the laws of the State of Florida, and REGIONS BANK, a banking corporation duly organized and existing under the laws of the State of Alabama and having a designated corporate trust office in Jacksonville, Florida, as trustee (said banking corporation and any bank or trust company becoming successor trustee under this Second Supplemental Indenture being hereinafter referred to as the "Trustee");

W I T N E S S E T H:

WHEREAS, the Issuer is a local unit of special purpose government duly organized and existing under the provisions of the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), by Ordinance No. 2016-16 enacted by the Board of County Commissioners of Lake County, Florida (the "County"), on April 19, 2016 and becoming effective on April 27, 2016; and

WHEREAS, the premises governed by the Issuer, as described more fully in the Ordinance, consisting of approximately 985 acres of land (herein, the "District Lands" or "District"), are located entirely within the unincorporated area of the County; and

WHEREAS, the Issuer has been created for the purpose of delivering certain community development services and facilities for the benefit of certain District Lands; and

WHEREAS, the Issuer has determined to undertake, in one or more stages, the acquisition and/or construction of public improvements and community facilities as set forth in the Act for the special benefit of certain District Lands; and

WHEREAS, the Issuer has previously adopted Resolution No. 2016-21 on April 28, 2016 (the "Original Authorizing Resolution"), authorizing the issuance of not to exceed $70,000,000 in aggregate principal amount of its special assessment bonds in one or more Series (the "Bonds") to finance all or a portion of the design, acquisition and construction costs of certain improvements pursuant to the Act for the special benefit of the District Lands or portions thereof and approving the form of and authorizing the execution and delivery of a master trust indenture and supplemental indenture; and

WHEREAS, the Issuer has determined to create three (3) separate and distinct assessment areas within the District, namely the "Assessment Area One," "Assessment Area Two" and "Assessment Area Three"; and

WHEREAS, to the extent not constructed by the Issuer, VK Avalon Groves LLC, a Florida limited liability company (the "Landowner") is the master developer of a residential community to be located within the District and may construct all of the public infrastructure necessary to serve such residential community which will be built in multiple phases (herein, the "Development"), a portion of such public infrastructure is necessary to develop Assessment Area Two, will be constructed and/or purchased by the Issuer with a portion of the proceeds of the herein described Series 2017A-1 Bonds (such public infrastructure as described on Exhibit A is herein collectively referred to as the "Assessment Area Two Project"); and

WHEREAS, the Issuer has determined to issue the first Series of Bonds with respect to the finance of a portion of the Assessment Area Two Project designated as the Avalon Groves Community Development District Special Assessment Bonds, Series 2017A-1 (Assessment Area Two Project) (the "Series 2017A-1 Bonds"), pursuant to the Master Indenture and this Second Supplemental Indenture (hereinafter sometimes collectively referred to as the "A-1 Indenture"); and

WHEREAS, the Issuer has also determined to issue a second Series of Bonds, with respect to financing all or a portion of the Assessment Area Two Project not financed with the Series 2017A-1 Bonds, designated as the Avalon Groves Community Development District Special Assessment Bonds, Series 2017A-2 (Assessment Area Two Project) (the "Series 2017A-2 Bonds), pursuant to the Master Indenture and the Third Supplemental Indenture (as hereinafter defined) (hereinafter sometimes referred to as the "A-2 Indenture"); and

WHEREAS, the Series 2017A-1 Bonds and Series 2017A-2 Bonds are collectively referred to as the "Series 2017A Bonds"; and

WHEREAS, in the manner provided herein, the proceeds of the Series 2017A-1 Bonds will be used to provide funds for (i) the Costs of acquiring and/or constructing a portion of the Assessment Area Two Project, (ii) funding Capitalized Interest through at least November 1, 20XX, (iii) the funding of the Series 2017A-1 Reserve Account, and (iv) the payment of the costs of issuance of the Series 2017A Bonds; and

WHEREAS, the Series 2017A-1 Bonds will be secured by a pledge of Series 2017A-1 Pledged Revenues (as hereinafter defined) to the extent provided herein; and

WHEREAS, the Series 2017-2 Bonds will be secured by a pledge of Series 2017A-2 Pledged Revenues (as defined in the Third Supplemental Indenture).

NOW, THEREFORE, THIS SECOND SUPPLEMENTAL INDENTURE WITNESSETH, that to provide for the issuance of the Series 2017A-1 Bonds, the security and payment of the principal or Redemption Price thereof (as the case may be) and interest thereon, the rights of the Bondholders and the performance and observance of all of the covenants contained herein and in said Series 2017A-1 Bonds, and for and in consideration of the mutual covenants herein contained and of the purchase and acceptance of the Series 2017A-1 Bonds by the Owners thereof, from time to time, and of the acceptance by the Trustee of the trusts hereby created, and intending to be legally bound hereby, the Issuer does hereby assign, transfer, set over and pledge to Regions Bank, as Trustee, its successors in trust and its assigns forever, and grants a lien on all of the right, title and interest of the Issuer in and to the Series 2017A-1 Pledged Revenues as security for the payment of the principal, redemption or purchase price of (as the case may be) and interest on the Series 2017A-1 Bonds issued hereunder, all in the manner hereinafter provided, and the Issuer further hereby agrees with and covenants unto the Trustee as follows:

TO HAVE AND TO HOLD the same and any other revenues, property, contracts or contract rights, accounts receivable, chattel paper, instruments, general intangibles or other rights and the proceeds thereof, which may, by delivery, assignment or otherwise, be subject to the lien created by the Indenture with respect to the Series 2017A-1 Bonds.

IN TRUST NEVERTHELESS, for the equal and ratable benefit and security of all present and future Owners of the Series 2017A-1 Bonds issued and to be issued under this Second Supplemental Indenture, without preference, priority or distinction as to lien or otherwise (except as otherwise specifically provided in this Second Supplemental Indenture) of any one Series 2017A-1 Bond over any other Series 2017A-1 Bond, all as provided in the Indenture.

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, or make due provision for the payment of the principal or redemption price of the Series 2017A-1 Bonds issued, secured and Outstanding hereunder and the interest due or to become due thereon, at the times and in the manner mentioned in such Series 2017A-1 Bonds and the Indenture, according to the true intent and meaning thereof and hereof, and the Issuer shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of the Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments this Second Supplemental Indenture and the rights hereby granted shall cease and terminate, otherwise this Second Supplemental Indenture to be and remain in full force and effect.

ARTICLE I
DEFINITIONS

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

"Acquisition Agreement" shall mean that certain Acquisition and Completion Agreement relating to the acquisition of the Assessment Area Two Project, by and between the Landowner and the Issuer.

"Arbitrage Certificate" shall mean that certain Arbitrage Certificate, including arbitrage rebate covenants, of the Issuer, dated _____ ___, 2017, relating to certain restrictions on arbitrage under the Code with respect to the Series 2017A Bonds.

"Assessment Area Two" shall mean the area within the District that the Issuer will levy both the Series 2017A-1 Special Assessments and Series 2017-2 Special Assessments as such area is described in the Assessment Resolutions.

"Assessment Resolutions" shall mean Resolution No. 2017-03, Resolution No. 2017-04 and Resolution No. 2017-_____ of the Issuer adopted on October 27, 2016, October 27, 2016 and December 22, 2016, respectively, as amended and supplemented from time to time.

"Authorized Denomination" shall mean, with respect to the Series 2017A-1 Bonds, on the date of issuance, in the denominations of $5,000 and any integral multiple thereof provided, however, if any initial beneficial owner does not purchase at least $100,000 of the Series 2017A-1 Bonds at the time of initial delivery of the Series 2017A-1 Bonds, such beneficial owner must execute and deliver to the Issuer and the Underwriter on the date of delivery of the Series 2017A-1 Bonds the investor letter substantially in the form attached hereto as Exhibit D or

otherwise establish to the satisfaction of the Underwriter that such Beneficial Owner is an "accredited investor," as described in Rule 501(a) under Regulation D of the Securities Act of 1936, as amended.

"Bonds" shall mean the Issuer's Special Assessments Bonds issued pursuant to the Master Indenture.

"Capitalized Interest" shall mean interest due or to become due on the Series 2017A-1 Bonds, which will be paid, or is expected to be paid, from the proceeds of the Series 2017A-1 Bonds.

"Collateral Assignment" shall mean that certain instrument executed by the Landowner in favor of the Issuer whereby all of the Project Documents and other material documents necessary to complete that portion of the Development within Assessment Area Two (comprising all of the development planned for Assessment Area Two including any recreational amenities) are collaterally assigned as security for the Landowner's obligation to pay the Series 2017A-1 Special Assessments and the Series 2017A-2 Special Assessments imposed against lands within the Assessment Area Two owned by the Landowner, any successor thereto or builders from time to time.

"Continuing Disclosure Agreement" shall mean the Continuing Disclosure Agreement for the benefit of the owners of the Series 2017A Bonds, dated _____ __, 2017, by and among the Issuer, the dissemination agent named therein, the Landowner and joined by the parties named therein, in connection with the issuance of the Series 2017A-1 Bonds.

"Defeasance Securities" shall mean, with respect to the Series 2017A-1 Bonds, to the extent permitted by law, (a) cash deposits (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in clause (b) hereof), and (b) direct obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of Treasury) which are non-callable and non-prepayable.

"District Manager" shall mean Development Planning & Finance Group, LLC, and its successors and assigns.

"Indenture" or "A-1 Indenture" shall mean collectively, the Master Indenture and this Second Supplemental Indenture.

"Interest Payment Date" shall mean May 1 and November 1 of each year and each Quarterly Redemption Date commencing _____ 1, 2017, each Quarterly Redemption Date and any other date the principal of the Series 2017A-1 Bonds is paid.

"Majority Holders" means the beneficial owners of more than fifty percent (50%) of the Outstanding Series 2017A-1 Bonds.

"Master Indenture" shall mean the Master Trust Indenture, dated as of _____ 1, 2017, by and between the Issuer and the Trustee, as supplemented and amended with respect to matters

pertaining solely to the Master Indenture or the Series 2017A-1 Bonds (as opposed to supplements or amendments relating to any other Series of Bonds).

"Paying Agent" shall mean Regions Bank, and its successors and assigns as Paying Agent hereunder.

"Prepayment" shall mean the payment by any owner of property within Assessment Area Two of the amount of the Series 2017A-1 Special Assessments encumbering its property, in whole or in part, prior to its scheduled due date, including optional prepayments. The term "Prepayment" also means any proceeds received as a result of accelerating and/or foreclosing the Series 2017A-1 Special Assessments. "Prepayments" shall include, without limitation, Series 2017A-1 Prepayment Principal.

"Pro-Rata" shall mean the ratio of the Outstanding principal amount of the Series 2017A-2 Bonds over the Outstanding amount of the Series 2017A-1 Bonds.

"Quarterly Redemption Date" shall mean each February 1, May 1, August 1 and November 1.

"Redemption Price" shall mean the principal amount of any Series 2017A-1 Bond payable upon redemption thereof pursuant to this Second Supplemental Indenture.

"Registrar" shall mean Regions Bank and its successors and assigns as Registrar hereunder.

"Regular Record Date" shall mean the fifteenth day (whether or not a Business Day) of the calendar month next preceding each Interest Payment Date.

"Resolution" shall mean, collectively, (i) Resolution No. 2016-21 of the Issuer adopted on April 28, 2016, pursuant to which the Issuer authorized the issuance of not exceeding $70,000,000 aggregate principal amount of its Bonds to finance the construction or acquisition of public infrastructure within the District, and (ii) Resolution No. 2017-____ of the Issuer adopted on _____ ___, 2017, pursuant to which the Issuer authorized, among other things, the issuance of the Series 2017A Bonds in an aggregate principal amount of $_____ to finance the acquisition of all or a portion of the Assessment Area Two Project, specifying the details of the Series 2017A Bonds and awarding the Series 2017A Bonds to the Underwriter of the Series 2017A Bonds, pursuant to the parameters established thereunder.

"Second Supplemental Indenture" shall mean this Second Supplemental Indenture dated as of _____ 1, 2017 by and between the Issuer and the Trustee and pursuant to which, together with the Master Indenture, the Series 2017A-1 Bonds have been issued.

"Series 2017A-1 Acquisition and Construction Account" shall mean the Account so designated, established as a separate Account within the Acquisition and Construction Fund pursuant to Section 4.01(a) of this Second Supplemental Indenture.

"Series 2017A-1 Bond Redemption Account" shall mean the Series 2017A-1 Bond Redemption Account established as a separate Account within the Bond Redemption Fund pursuant to Section 4.01(g) of this Second Supplemental Indenture.

"Series 2017A-1 Bonds" shall mean the $_____ aggregate principal amount of Avalon Groves Community Development District Special Assessment Bonds, Series 2017A-1 (Assessment Area Two Project), to be issued as fully registered Bonds in accordance with the provisions of the Master Indenture and this Second Supplemental Indenture, and secured and authorized by the Master Indenture and this Second Supplemental Indenture.

"Series 2017A-1 Capitalized Interest Account" shall mean the account so designated, established as a separate account within the Debt Service Fund pursuant to Section 4.01(d) of this Second Supplemental Indenture.

"Series 2017A-1 Costs of Issuance Account" shall mean the Account so designated, established as a separate Account within the Acquisition and Construction Fund pursuant to Section 4.01(a) of this Second Supplemental Indenture.

"Series 2017A-1 General Redemption Subaccount" shall mean the subaccount so designated, established as a separate subaccount under the Series 2017A-1 Bond Redemption Account pursuant to Section 4.01(g) of this Second Supplemental Indenture.

"Series 2017A-1 Interest Account" shall mean the Account so designated, established as a separate Account within the Debt Service Fund pursuant to Section 4.01(d) of this Second Supplemental Indenture .

"Series 2017A-1 Optional Redemption Subaccount" shall mean the subaccount so designated, established as a separate subaccount under the Series 2017A-1 Bond Redemption Account pursuant to Section 4.01(g) of this Second Supplemental Indenture.

"Series 2017A-1 Pledged Revenues" shall mean (a) all revenues received by the Issuer from the Series 2017A-1 Special Assessments levied and collected on certain assessable lands within Assessment Area Two of the District, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Series 2017A-1 Special Assessments or from the issuance and sale of tax certificates with respect to such Series 2017A-1 Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the A-1 Indenture created and established with respect to or for the benefit of the Series 2017A-1 Bonds; provided, however, that Series 2017A-1 Pledged Revenues shall not include (A) any moneys transferred to the Series 2017A-1 Rebate Fund and investment earnings thereon, (B) moneys on deposit in the Series 2017A-1 Costs of Issuance Account of the Acquisition and Construction Fund, and (C) "special assessments" levied and collected by the Issuer under Section 190.022 of the Act for maintenance purposes or "maintenance assessments" levied and collected by the Issuer 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), (B) and (C) of this proviso).

"Series 2017A-1 Prepayment Principal" shall mean the portion of a Prepayment corresponding to the principal amount of the Series 2017A-1 Special Assessments being prepaid

pursuant to Section 4.05 of this Second Supplemental Indenture or as a result of an acceleration of the Series 2017A-1 Special Assessments pursuant to Section 170.10, Florida Statutes, if such Series 2017A-1 Special Assessments are being collected through a direct billing method.

"Series 2017A-1 Prepayment Subaccount" shall mean the subaccount so designated, established as a separate subaccount under the Series 2017A-1 Bond Redemption Account pursuant to Section 4.01(g) of this Second Supplemental Indenture.

"Series 2017A-1 Principal Account" shall mean the account so designated, established as a separate account within the Debt Service Fund pursuant to Section 4.01(c) of this Second Supplemental Indenture.

"Series 2017A-1 Rebate Fund" shall mean the Fund so designated, established pursuant to Section 4.01(j) of this Second Supplemental Indenture.

"Series 2017A-1 Reserve Account" shall mean the Series 2017A-1 Reserve Account established as a separate Account within the Debt Service Reserve Fund pursuant to Section 4.01(f) of this Second Supplemental Indenture.

"Series 2017A-1 Reserve Requirement" or "Reserve Requirement" shall mean an amount equal to _____% of the maximum annual debt service with respect to the initial principal amount of the Series 2017A-1 Bonds determined on the date of issuance. Any amount in the Series 2017A-1 Reserve Account may, upon final maturity or redemption of all Outstanding Series 2017A-1 Bonds be used to pay principal of and interest on the Series 2017A-1 Bonds at that time. The Series 2017A-1 Reserve Requirement shall be equal to $_____.

"Series 2017A-1 Revenue Account" shall mean the Account so designated, established as a separate Account within the Revenue Fund pursuant to Section 4.01(b) of this Second Supplemental Indenture.

"Series 2017A-1 Sinking Fund Account" shall mean the Account so designated, established as a separate Account within the Debt Service Fund pursuant to Section 4.01(e) of this Second Supplemental Indenture.

"Series 2017A-1 Special Assessments" shall mean a portion of the Special Assessments levied on the assessable lands within Assessment Area Two of the District as a result of the Issuer's acquisition and/or construction of a portion of the Assessment Area Two Project, corresponding in amount to the debt service on the Series 2017A-1 Bonds and designated as such in the methodology report relating thereto.

"Series 2017A-2 Acquisition and Construction Account" shall mean the Account so designated, established as a separate Account within the Acquisition and Construction Fund pursuant to Section 4.01(a) of the Third Supplemental Indenture.

"Series 2017A-2 Bonds" shall mean the $_____ aggregate principal amount of Avalon Groves Community Development District Special Assessment Bonds, Series 2017A-2 (Assessment Area Two Project), to be issued as fully registered Bonds in accordance

with the provisions of the Master Indenture and the Third Supplemental Indenture, and secured and authorized by the Master Indenture and the Third Supplemental Indenture.

"Series 2017A-2 Special Assessments" shall mean a portion of the Special Assessments levied on the assessable lands within Assessment Area Two of the District as a result of the Issuer's acquisition and/or construction of a portion of the Assessment Area Two Project, corresponding in amount to the debt service on the Series 2017A-2 Bonds and designated as such in the methodology report relating thereto.

"Assessment Area Two Project" shall mean a portion of the public infrastructure deemed necessary for the development of Assessment Area Two within the District generally described on Exhibit A attached hereto.

"Substantially Absorbed" shall mean the date when at least ___% of the principal portion of the Series 2017A-1 Special Assessments have been assigned to residential units within Assessment Area Two that have received certificates of occupancy.

"Third Supplemental Indenture" shall mean that certain Third Supplemental Indenture dated as of _____ 1, 2017 by and between the Issuer and the Trustee and pursuant to which, together with the Master Indenture, the Series 2017A-2 Bonds have been issued.

"Underwriter" shall mean FMSbonds, Inc., the underwriter of the Series 2017A-1 Bonds.

The words "hereof," "herein," "hereto," "hereby," and "hereunder" (except in the form of Series 2017A-1 Bonds), refer to the entire Indenture.

Every "request," "requisition," "order," "demand," "application," "notice," "statement," "certificate," "consent," or similar action hereunder by the Issuer shall, unless the form or execution thereof is otherwise specifically provided, be in writing signed by the Chairperson or Vice Chairperson and the Treasurer or Assistant Treasurer or the Secretary or Assistant Secretary or Responsible Officer of the Issuer.

All words and terms importing the singular number shall, where the context requires, import the plural number and vice versa.

[END OF ARTICLE I]

ARTICLE II
THE SERIES 2017A-1 BONDS

SECTION 2.01. Amounts and Terms of Series 2017A-1 Bonds; Issue of Series 2017A-1 Bonds. No Series 2017A-1 Bonds may be issued under this Second Supplemental Indenture except in accordance with the provisions of this Article and Articles II and III of the Master Indenture.

(a) The total principal amount of Series 2017A-1 Bonds that may be issued under this Second Supplemental Indenture is expressly limited to $_____. The Series 2017A-1 Bonds shall be numbered consecutively from RA1-1 and upwards.

(b) Any and all Series 2017A-1 Bonds shall be issued substantially in the form attached hereto as Exhibit B, with such appropriate variations, omissions and insertions as are permitted or required by the Indenture and with such additional changes as may be necessary or appropriate to conform to the provisions of the Resolution. The Issuer shall issue the Series 2017A-1 Bonds upon execution of this Second Supplemental Indenture and satisfaction of the requirements of Section 3.01 of the Master Indenture; and the Trustee shall, at the Issuer's request, authenticate such Series 2017A-1 Bonds and deliver them as specified in the request.

SECTION 2.02. Execution. The Series 2017A-1 Bonds shall be executed by the Issuer as set forth in the Master Indenture.

SECTION 2.03. Authentication. The Series 2017A-1 Bonds shall be authenticated as set forth in the Master Indenture. No Series 2017A-1 Bond shall be valid until the certificate of authentication shall have been duly executed by the Trustee, as provided in the Master Indenture.

SECTION 2.04. Purpose, Designation and Denominations of, and Interest Accruals on, the Series 2017A-1 Bonds.

(a) The Series 2017A-1 Bonds are being issued hereunder in order to provide funds (i) for the payment of the Costs of acquiring and/or constructing a portion of the Assessment Area Two Project, (ii) to fund the Series 2017A-1 Reserve Account in an amount equal to the Series 2017A-1 Reserve Requirement; (iii) to fund Capitalized Interest through at least November 1, 20XX; and (iv) to pay the costs of issuance of the Series 2017A-1 Bonds. The Series 2017A-1 Bonds shall be designated "Avalon Groves Community Development District Special Assessment Bonds, Series 2017A-1 (Assessment Area Two Project)," and shall be issued as fully registered bonds without coupons in Authorized Denominations.

(b) The Series 2017A-1 Bonds shall be dated as of the date of initial delivery. Interest on the Series 2017A-1 Bonds shall be payable on each Interest Payment Date to maturity or prior redemption. Interest on the Series 2017A-1 Bonds shall be payable from the most recent Interest Payment Date next preceding the date of authentication thereof to which interest has been paid, unless the date of authentication thereof is a May 1 or November 1 to which interest has been paid, in which case from such date of authentication, or unless the date of authentication thereof is prior to May 1, 2017, in which case from the date of initial delivery or

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

(c) Except as otherwise provided in Section 2.07 of this Second Supplemental Indenture in connection with a book entry only system of registration of the Series 2017A-1 Bonds, the principal or Redemption Price of the Series 2017A-1 Bonds shall be payable in lawful money of the United States of America at the designated corporate trust office of the Paying Agent upon presentation of such Series 2017A-1 Bonds. Except as otherwise provided in Section 2.07 of this Second Supplemental Indenture in connection with a book entry only system of registration of the Series 2017A-1 Bonds, the payment of interest on the Series 2017A-1 Bonds shall be made on each Interest Payment Date to the Owners of the Series 2017A-1 Bonds by check or draft drawn on the Paying Agent and mailed on the applicable Interest Payment Date to each Owner as such Owner appears on the Bond Register maintained by the Registrar as of the close of business on the Regular Record Date, at his address as it appears on the Bond Register. Any interest on any Series 2017A-1 Bond which is payable, but is not punctually paid or provided for on any Interest Payment Date (hereinafter called "Defaulted Interest") shall be paid to the Owner in whose name the Series 2017A-1 Bond is registered at the close of business on a Special Record Date to be fixed by the Trustee, such date to be not more than fifteen (15) nor less than ten (10) days prior to the date of proposed payment. The Trustee shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class, postage-prepaid, to each Owner of record as of the fifth (5th) day prior to such mailing, at his address as it appears in the Bond Register not less than ten (10) days prior to such Special Record Date. The foregoing notwithstanding, any Owner of Series 2017A-1 Bonds in an aggregate principal amount of at least $1,000,000 shall be entitled to have interest paid by wire transfer to such Owner to the bank account number on file with the Paying Agent, upon requesting the same in a writing received by the Paying Agent at least fifteen (15) days prior to the relevant Record Date, which writing shall specify the bank, which shall be a bank within the continental United States, and bank account number to which interest payments are to be wired. Any such request for interest payments by wire transfer shall remain in effect until rescinded or changed, in a writing delivered by the Owner to the Paying Agent, and any such rescission or change of wire transfer instructions must be received by the Paying Agent at least fifteen (15) days prior to the relevant Record Date.

SECTION 2.05. Debt Service on the Series 2017A-1 Bonds.

(a) The Series 2017A-1 Bonds will mature on November 1 in the years and in the principal amounts, and bear interest at the rates all set forth below, subject to the right of prior redemption in accordance with their terms.

Year	**Amount**	**Interest Rate**
_____*	$_____	_____%
_____*	$_____	_____%
_____*	$_____	_____%
_____*	$_____	_____%

*Term Bonds

(b) Interest on the Series 2017A-1 Bonds will be computed in all cases on the basis of a 360 day year of twelve 30 day months. Interest on overdue principal and, to the extent lawful, on overdue interest will be payable at the numerical rate of interest borne by the Series 2017A-1 Bonds on the day before the default occurred.

SECTION 2.06. Disposition of Series 2017A-1 Bond Proceeds. From the net proceeds of the Series 2017A-1 Bonds received by the Trustee in the amount of $_____.

(a) $_____ derived from the net proceeds of the Series 2017A-1 Bonds (which is an amount equal to the Series 2017A-1 Reserve Requirement) shall be deposited in the Series 2017A-1 Reserve Account of the Debt Service Reserve Fund;

(b) $_____ derived from the net proceeds of the Series 2017A-1 Bonds shall be deposited into the Series 2017A-1 Capitalized Interest Account to pay Capitalized Interest;

(c) $_____ derived from the net proceeds of the Series 2017A-1 Bonds shall be deposited into the Series 2017A-1 Costs of Issuance Account of the Acquisition and Construction Fund for payment of the costs of issuing the Series 2017A-1 Bonds; and

(d) $_____ representing the balance of the net proceeds of the Series 2017A-1 Bonds shall be deposited in the Series 2017A-1 Acquisition and Construction Account of the Acquisition and Construction Fund which the Issuer shall cause to be applied in accordance with Article V of the Master Indenture and the terms of the Acquisition Agreement.

SECTION 2.07. Book-Entry Form of Series 2017A-1 Bonds. The Series 2017A-1 Bonds shall be issued as one fully registered bond for each maturity of Series 2017A-1 Bonds and deposited with The Depository Trust Company ("DTC"), New York, New York, which is responsible for establishing and maintaining records of ownership for its participants.

As long as the Series 2017A-1 Bonds are held in book-entry-only form, Cede & Co. shall be considered the registered owner for all purposes hereof and in the Master Indenture. DTC shall be responsible for maintaining a book-entry-only system for recording the ownership interest of its participants ("DTC Participants") and other institutions that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly ("Indirect Participants"). The DTC Participants and Indirect Participants will be responsible for maintaining records with respect to the beneficial ownership interests of individual purchasers of the Series 2017A-1 Bonds ("Beneficial Owners").

Principal and interest on the Series 2017A-1 Bonds registered in the name of Cede & Co. prior to and at maturity shall be payable directly to Cede & Co. in care of DTC. Disbursal of such amounts to DTC Participants shall be the responsibility of DTC. Payments by DTC Participants to Indirect Participants, and by DTC Participants and Indirect Participants to Beneficial Owners shall be the responsibility of DTC Participants and Indirect Participants and not of DTC, the Trustee or the Issuer.

Individuals may purchase beneficial interests in Authorized Denominations in book-entry-only form, without certificated Series 2017A-1 Bonds, through DTC Participants and Indirect Participants.

During the period for which Cede & Co. is registered owner of the Series 2017A-1 Bonds, any notices to be provided to any Beneficial Owner will be provided to Cede & Co. DTC shall be responsible for notices to DTC Participants and DTC Participants shall be responsible for notices to Indirect Participants, and DTC Participants and Indirect Participants shall be responsible for notices to Beneficial Owners.

The Issuer and the Trustee, if appropriate, shall enter into a blanket letter of representations with DTC providing for such book-entry-only system. Such agreement may be terminated at any time by either DTC or the Issuer in accordance with the procedures of DTC. In the event of such termination, the Issuer shall select another securities depository and in that event, all references herein to DTC or Cede & Co., shall be deemed to be for reference to such successor. If the Issuer does not replace DTC, the Trustee will register and deliver to the Beneficial Owners replacement Series 2017A-1 Bonds in the form of fully registered Series 2017A-1 Bonds in accordance with the instructions from Cede & Co.

In the event DTC, any successor of DTC or the Issuer, but only in accordance with the procedures of DTC, elects to discontinue the book-entry only system, the Trustee shall deliver bond certificates in accordance with the instructions from DTC or its successor and after such time Series 2017A-1 Bonds may be exchanged for an equal aggregate principal amount of Series 2017A-1 Bonds in other Authorized Denominations upon surrender thereof at the designated corporate trust office of the Trustee.

SECTION 2.08. Appointment of Registrar and Paying Agent. The Issuer shall keep, at the designated corporate trust office of the Registrar, books (the "Bond Register") for the registration, transfer and exchange of the Series 2017A-1 Bonds, and hereby appoints Regions Bank, as its Registrar to keep such books and make such registrations, transfers, and exchanges as required hereby. Regions Bank hereby accepts its appointment as Registrar and its duties and responsibilities as Registrar hereunder. Registrations, transfers and exchanges shall be without charge to the Bondholder requesting such registration, transfer or exchange, but such Bondholder shall pay any taxes or other governmental charges on all registrations, transfers and exchanges.

The Issuer hereby appoints Regions Bank as Paying Agent for the Series 2017A-1 Bonds. Regions Bank hereby accepts its appointment as Paying Agent and its duties and responsibilities as Paying Agent hereunder.

SECTION 2.09. Conditions Precedent to Issuance of the Series 2017A-1 Bonds. In addition to complying with the requirements set forth in the Master Indenture in connection with the issuance of the Series 2017A-1 Bonds, all the Series 2017A-1 Bonds shall be executed by the Issuer for delivery to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the Issuer or upon its order, but only upon the further receipt by the Trustee of:

(a) Certified copies of the Assessment Resolutions;

(b) Executed originals of the Master Indenture and this Second Supplemental Indenture;

(c) An opinion of Counsel to the District substantially to the effect that (i) the Issuer has been duly established and validly exists as a community development district under the Act, (ii) the Issuer has good right and lawful authority under the Act to construct and/or purchase the Assessment Area Two Project being financed with the proceeds of the Series 2017A-1 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 own and operate the Assessment Area Two Project, (iii) all proceedings undertaken by the Issuer with respect to the Series 2017A-1 Special Assessments have been in accordance with Florida law, (iv) the Issuer has taken all action necessary to levy and impose the Series 2017A-1 Special Assessments, and (v) the Series 2017A-1 Special Assessments are legal, valid and binding liens upon the property against which such Series 2017A-1 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;

(d) A certificate of an Authorized Officer to the effect that, upon the authentication and delivery of the Series 2017A-1 Bonds, the Issuer will not be in default in the performance of the terms and provisions of the Master Indenture or this Second Supplemental Indenture;

(e) An opinion of Bond Counsel;

(f) A certificate of the Issuer's methodology consultant that the benefit from the proposed Assessment Area Two Project equals or exceeds the amount of corresponding Series 2017A-1 Special Assessments and Series 2017A-2 Special Assessments, that the Series 2017A-1 Special Assessments are fairly and reasonably allocated across the land that are subject to the Series 2017A-1 Special Assessments, and that the Series 2017A-1 Special Assessments are sufficient to pay the Debt Service on the Series 2017A-1 Bonds; and

(g) A copy of the Collateral Assignment.

[END OF ARTICLE II]

ARTICLE III
REDEMPTION OF SERIES 2017A-1 BONDS

SECTION 3.01. Redemption Dates and Prices. The Series 2017A-1 Bonds shall be subject to redemption at the times and in the manner provided in Article VIII of the Master Indenture and in this Article III. All payments of the Redemption Price of the Series 2017A-1 Bonds shall be made on the dates hereinafter required. Except as otherwise provided in this Section 3.01, if less than all the Series 2017A-1 Bonds are to be redeemed pursuant to an extraordinary mandatory redemption, the Trustee shall select the Series 2017A-1 Bonds or portions of the Series 2017A-1 Bonds to be redeemed by lot. Partial redemptions of Series 2017A-1 Bonds shall be made in such a manner that the remaining Series 2017A-1 Bonds held by each Bondholder shall be in Authorized Denominations, except for the last remaining Series 2017A-1 Bond.

The Series 2017A-1 Bonds are subject to redemption prior to maturity in the amounts, at the times and in the manner provided below. All payments of the Redemption Price of the Series 2017A-1 Bonds shall be made on the dates specified below.

(a) Optional Redemption. The Series 2017A-1 Bonds may, at the option of the Issuer, provided written notice hereof has been sent to the Trustee at least forty-five (45) days prior to the redemption date (unless the Trustee will accept less than forty-five (45) days' notice), be called for redemption prior to maturity as a whole or in part, at any time, on or after November 1, ____ (less than all Series 2017A-1 Bonds of a maturity to be selected randomly), at a Redemption Price equal to the principal amount of Series 2017A-1 Bonds to be redeemed, plus accrued interest from the most recent Interest Payment Date to the redemption date from moneys on deposit in the Series 2017A-1 Optional Redemption Subaccount of the Series 2017A-1 Bond Redemption Account.

(b) Extraordinary Mandatory Redemption in Whole or in Part. The Series 2017A-1 Bonds are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole or in part, on any date (other than in the case of clause (i) below which extraordinary mandatory redemption in part must occur on a Quarterly Redemption Date), at a Redemption Price equal to 100% of the principal amount of the Series 2017A-1 Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

(i) from Series 2017A-1 Prepayment Principal deposited into the Series 2017A-1 Prepayment Subaccount of the Series 2017A-1 Bond Redemption Account following the payment in whole or in part of Series 2017A-1 Special Assessments on any assessable property within Assessment Area Two of the District in accordance with the provisions of Section 4.05(a) of this Second Supplemental Indenture.

(ii) from moneys, if any, on deposit in the Series 2017A-1 Funds, Accounts and Subaccounts in the Funds and Accounts (other than the Series 2017A-1 Rebate Fund and the Series 2017A-1 Acquisition and Construction Account) sufficient to pay and redeem all Outstanding Series 2017A-1 Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the A-1 Indenture.

(iii) Upon the Completion Date, from any funds remaining on deposit in the Series 2017A-1 Acquisition and Construction Account not otherwise reserved to complete a portion of the Assessment Area Two Project and which have been transferred to the Series 2017A-1 General Redemption Subaccount of the Series 2017A-1 Bond Redemption Account.

(c) Mandatory Sinking Fund Redemption. The Series 2017A-1 Bonds maturing on November 1, _____ are subject to mandatory sinking fund redemption from the moneys on deposit in the Series 2017A-1 Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a redemption price of 100% of their principal amount plus accrued interest to the date of redemption.

Year	Mandatory Sinking Fund Redemption Amount

_____
*Maturity

The Series 2017A-1 Bonds maturing on November 1, _____ are subject to mandatory sinking fund redemption from the moneys on deposit in the Series 2017A-1 Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a redemption price of 100% of their principal amount plus accrued interest to the date of redemption.

Year	Mandatory Sinking Fund Redemption Amount

_____
*Maturity

The Series 2017A-1 Bonds maturing on November 1, ____ are subject to mandatory sinking fund redemption from the moneys on deposit in the Series 2017A-1 Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a redemption price of 100% of their principal amount plus accrued interest to the date of redemption.

Year	Mandatory Sinking Fund Redemption Amount

Year	Mandatory Sinking Fund Redemption Amount

_____
*Maturity

The Series 2017A-1 Bonds maturing on November 1, _____ are subject to mandatory sinking fund redemption from the moneys on deposit in the Series 2017A-1 Sinking Fund Account on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a redemption price of 100% of their principal amount plus accrued interest to the date of redemption.

Year	Mandatory Sinking Fund Redemption Amount

_____
*Maturity

Upon any redemption of Series 2017A-1 Bonds other than in accordance with scheduled mandatory sinking fund redemptions, the Issuer shall cause to be recalculated and delivered to the Trustee revised mandatory sinking fund redemption amounts recalculated so as to amortize the Outstanding principal amount of Series 2017A-1 Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Series 2017A-1 Bonds. The mandatory sinking fund redemption amounts as so recalculated shall not result in an increase in the aggregate of the mandatory sinking fund redemption amounts for all Series 2017A-1 Bonds in any year. In the event of a redemption or purchase occurring less than 45 days prior to a date on which a mandatory sinking fund redemption payment is due, the foregoing recalculation shall not be made to the mandatory sinking fund redemption amounts due in the year in which such redemption or purchase occurs, but shall be made to the mandatory sinking fund redemption amounts for the immediately succeeding and subsequent years.

SECTION 3.02. Notice of Redemption. When required to redeem Series 2017A-1 Bonds under any provision of this Second Supplemental Indenture or directed to redeem Series 2017A-1 Bonds by the Issuer, the Trustee shall give or cause to be given to Owners of the Series 2017A-1 Bonds to be redeemed, notice of the redemption, as set forth in Article VIII of the Master Indenture.

[END OF ARTICLE III]

ARTICLE IV
ESTABLISHMENT OF CERTAIN FUNDS AND ACCOUNTS; ADDITIONAL COVENANTS OF THE ISSUER; PREPAYMENTS; REMOVAL OF SERIES 2017A-1 SPECIAL ASSESSMENT LIENS

SECTION 4.01. Establishment of Certain Funds and Accounts.

(a) The Trustee shall establish a separate account within the Acquisition and Construction Fund designated as the "Series 2017A-1 Acquisition and Construction Account." Proceeds of the Series 2017A-1 Bonds shall be deposited into the Series 2017A-1 Acquisition and Construction Account in the amount set forth in Section 2.06 of this Second Supplemental Indenture, together with any moneys transferred to the Series 2017A-1 Acquisition and Construction Account, and such moneys in the Series 2017A-1 Acquisition and Construction Account shall be applied as set forth in Section 5.01 of the Master Indenture. Moneys on deposit in the Series 2017A-1 Acquisition and Construction Account shall be requisitioned Pro-Rata with the money on deposit in the Series 2017A-2 Acquisition and Construction Account created and established under the A-2 Indenture. After the Completion Date, any moneys remaining in the Series 2017A-1 Acquisition and Construction Account, as evidenced in writing from the Issuer or from the District Manager, on behalf of the Issuer to the Trustee, shall be transferred to the Series 2017A-1 General Redemption Subaccount of the Series 2017A-1 Bond Redemption Account. Upon presentment to the Trustee of a properly signed requisition in substantially the form attached hereto as Exhibit C, the Trustee shall withdraw moneys from the Series 2017A-1 Acquisition and Construction Account. The Trustee shall not pay any requisition submitted if an Event of Default as to which the Trustee is deemed to have knowledge under the Indenture has occurred and is continuing unless directed in writing by the Majority Holders. Pursuant to the Master Indenture, the Trustee shall establish a separate account within the Acquisition and Construction Fund designated as the "Series 2017A-1 Costs of Issuance Account." Proceeds of the Series 2017A-1 Bonds shall be deposited into the Series 2017A-1 Costs of Issuance Account in the amount set forth in Section 2.06 of this Second Supplemental Indenture. Upon presentment to the Trustee of a properly signed requisition in substantially the form attached hereto as Exhibit C, the Trustee shall withdraw moneys from the Series 2017A-1 Costs of Issuance Account to pay the costs of issuing the Series 2017A-1 Bonds. Six months after the issuance of the Series 2017A-1 Bonds, any moneys remaining in the Series 2017A-1 Costs of Issuance Account in excess of the actual costs of issuing the Series 2017A-1 Bonds requested to be disbursed by the Issuer shall be deposited into the Series 2017A-1 Interest Account. Any deficiency in the amount allocated to pay the cost of issuing the Series 2017A-1 Bonds shall be paid from excess Series 2017A-1 Pledged Revenues on deposit in the Series 2017A-1 Revenue Account.

(b) Pursuant to Section 6.03 of the Master Indenture, the Trustee shall establish a separate Account within the Revenue Fund designated as the "Series 2017A-1 Revenue Account." Series 2017A-1 Special Assessments (except for Prepayments of Series 2017A-1 Special Assessments which shall be identified as such by the Issuer in writing to the Trustee and deposited in the Series 2017A-1 Prepayment Subaccount) shall be deposited by the Trustee into the Series 2017A-1 Revenue Account which shall be applied as set forth in Section 6.03 of the Master Indenture and Section 4.02 of this Second Supplemental Indenture.

(c) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish a separate Account within the Debt Service Fund designated as the "Series 2017A-1 Principal Account." Moneys shall be deposited into the Series 2017A-1 Principal Account as provided in Section 6.04 of the Master Indenture and Section 4.02 of this Second Supplemental Indenture, and applied for the purposes provided therein.

(d) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish two (2) separate Accounts within the Debt Service Fund designated as the "Series 2017A-1 Interest Account" and the "Series 2017A-1 Capitalized Interest Account." Moneys deposited into the Series 2017A-1 Interest Account and Series 2017A-1 Capitalized Interest Account pursuant to Section 6.04 of the Master Indenture and Sections 2.06 and 4.02 of this Second Supplemental Indenture, shall be applied for the purposes provided therein.

(e) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish another separate Account within the Debt Service Fund designated as the "Series 2017A-1 Sinking Fund Account." Moneys shall be deposited into the Series 2017A-1 Sinking Fund Account as provided in Section 6.04 of the Master Indenture and applied for the purposes provided therein and in Section 3.01(c) of this Second Supplemental Indenture.

(f) Pursuant to Section 6.05 of the Master Indenture, the Trustee shall establish a separate Account within the Reserve Fund designated as the "Series 2017A-1 Reserve Account." Proceeds of the Series 2017A-1 Bonds shall be deposited into the Series 2017A-1 Reserve Account in the amount set forth in Section 2.06 of this Second Supplemental Indenture, and such moneys, together with any other moneys deposited into the Series 2017A-1 Reserve Account shall be applied for the purposes provided therein and in this Section 4.01(f) of this Second Supplemental Indenture. All investment earnings on moneys in the Series 2017A-1 Reserve Account shall remain on deposit therein.

Notwithstanding any of the foregoing, amounts on deposit in the Series 2017A-1 Reserve Account shall be transferred by the Trustee, in the amounts directed in writing by the Majority Holders of the Series 2017A-1 Bonds to the Series 2017A-1 General Redemption Subaccount of the Series 2017A-1 Bond Redemption Account, if as a result of the application of Article X of the Master Indenture, the proceeds received from lands sold subject to the Series 2017A-1 Special Assessments and applied to redeem a portion of the Series 2017A-1 Bonds is less than the principal amount of Series 2017A-1 Bonds indebtedness attributable to such lands.

(g) Pursuant to Section 6.06 of the Master Indenture, the Trustee shall establish a separate Series Bond Redemption Account within the Bond Redemption Fund designated as the "Series 2017A-1 Bond Redemption Account" and within such Account, a "Series 2017A-1 General Redemption Subaccount," a "Series 2017A-1 Optional Redemption Subaccount," and a "Series 2017A-1 Prepayment Subaccount." Except as otherwise provided in this Second Supplemental Indenture regarding Prepayments or in connection with the optional redemption of the Series 2017A-1 Bonds, moneys to be deposited into the Series 2017A-1 Bond Redemption Account as provided in Section 6.06 of the Master Indenture, shall be deposited to the Series 2017A-1 General Redemption Subaccount of the Series 2017A-1 Bond Redemption Account.

(h) Moneys that are deposited into the Series 2017A-1 General Redemption Subaccount of the Series 2017A-1 Bond Redemption Account (including all earnings on investments held therein) shall be used to call Series 2017A-1 Bonds for the extraordinary mandatory redemption in whole, pursuant to Section 3.01(b)(ii) hereof or in part pursuant to Section 3.01(b)(iii) hereof.

(i) Moneys in the Series 2017A-1 Prepayment Subaccount of the Series 2017A-1 Bond Redemption Account (including all earnings on investments held in such Series 2017A-1 Prepayment Subaccount of the Series 2017A-1 Bond Redemption Account) shall be accumulated therein to be used to call for redemption pursuant to Section 3.01(b)(i) hereof an amount of Series 2017A-1 Bonds equal to the amount of money transferred to the Series 2017A-1 Prepayment Subaccount of the Series 2017A-1 Bond Redemption Account for the purpose of such extraordinary mandatory redemption on the dates and at the price provided in such Section 3.01(b)(i) hereof.

(j) The Issuer hereby directs the Trustee to establish a Series 2017A-1 Rebate Fund designated as the "Series 2017A-1 Rebate Fund." Moneys shall be deposited into the Series 2017A-1 Rebate Fund, as provided in the Arbitrage Certificate and applied for the purposes provided therein.

(k) Moneys on deposit in the Series 2017A-1 Optional Redemption Subaccount shall be used to optionally redeem all or a portion of the Series 2017A-1 Bonds pursuant to Section 3.01(a) hereof.

SECTION 4.02. Series 2017A-1 Revenue Account. The Trustee shall transfer from amounts on deposit in the Series 2017A-1 Revenue Account to the Funds and Accounts designated below, the following amounts, at the following times and in the following order of priority:

FIRST, upon receipt but no later than the Business Day next preceding each May 1 commencing _____ 1, 2017, to the Series 2017A-1 Interest Account of the Debt Service Fund, an amount from the Series 2017A-1 Revenue Account equal to the interest on the Series 2017A-1 Bonds becoming due on the next succeeding May 1, less any amounts on deposit in the Series 2017A-1 Capitalized Interest Account or the Series 2017A-1 Interest Account not previously credited;

SECOND, upon receipt but no later than the Business Day next preceding each November 1 commencing _____ 1, 2017, to the Series 2017A-1 Interest Account of the Debt Service Fund, an amount from the Series 2017A-1 Revenue Account equal to the interest on the Series 2017A-1 Bonds becoming due on the next succeeding November 1, less any amount on deposit in the Series 2017A-1 Capitalized Interest Account or the Series 2017A-1 Interest Account not previously credited;

THIRD, no later than the Business Day next preceding each November 1, commencing November 1, 20XX, to the Series 2017A-1 Sinking Fund Account of the Debt Service Fund, an amount from the Series 2017A-1 Revenue Account equal to the principal amount of Series 2017A-1 Bonds subject to sinking fund redemption on such

November 1, less any amount on deposit in the Series 2017A-1 Sinking Fund Account not previously credited;

FOURTH, no later than the Business Day next preceding the November 1, which is a principal payment date for any Series 2017A-1 Bonds, to the Series 2017A-1 Principal Account of the Debt Service Fund, an amount from the Series 2017A-1 Revenue Account equal to the principal amount of Series 2017A-1 Bonds Outstanding maturing on such November 1, less any amounts on deposit in the Series 2017A-1 Principal Account not previously credited;

FIFTH, upon receipt but no later than the Business Day next preceding each Interest Payment Date while Series 2017A-1 Bonds remain Outstanding, to the Series 2017A-1 Reserve Account, an amount from the Series 2017A-1 Revenue Account equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Reserve Requirement for the Series 2017A-1 Bonds; and

SIXTH, notwithstanding the foregoing, at any time the Series 2017A-1 Bonds are subject to redemption on a date which is not a Quarterly Redemption Date, the Trustee shall be authorized to transfer from the Series 2017A-1 Revenue Account to the Series 2017A-1 Interest Account, the amount necessary to pay interest on the Series 2017A-1 Bonds subject to redemption on such date; and

SEVENTH, subject to the foregoing paragraphs, the balance of any moneys remaining after making the foregoing deposits shall be first deposited into the Series 2017A-1 Costs of Issuance Account to cover any deficiencies in the amount allocated to pay the cost of issuing the Series 2017A-1 Bonds and next, any balance in the Series 2017A-1 Revenue Account shall remain on deposit in such Series 2017A-1 Revenue Account, unless pursuant to the Arbitrage Certificate, it is necessary to make a deposit into the Series 2017A-1 Rebate Fund, in which case, the Issuer shall direct the Trustee to make such deposit thereto.

Notwithstanding that the Issuer has funded the Series 2017A-1 Capitalized Interest Account to pay interest on the Series 2017A-1 Bonds through at least _____ 1, _____, moneys on deposit in the Series 2017A-1 Capitalized Interest Account, including all investment earnings thereon, shall remain on deposit in such Account and be used by the Trustee to pay interest on the Series 2017A-1 Bonds on any subsequent Interest Payment Date if moneys remain after _____ 1, _____. When such Account has been depleted of all funds, the Trustee shall be authorized to close such Account.

SECTION 4.03. Power to Issue Series 2017A-1 Bonds and Create Lien. The Issuer is duly authorized under the Act and all applicable laws of the State to issue the Series 2017A-1 Bonds, to execute and deliver the Indenture and to pledge the Series 2017A-1 Pledged Revenues for the benefit of the Series 2017A-1 Bonds to the extent set forth herein. The Series 2017A-1 Pledged Revenues are not and shall not be subject to any other lien senior to or on a parity with the lien created in favor of the Series 2017A-1 Bonds, except the lien created by the Series 2017A-2 Special Assessments and as otherwise permitted under the Master Indenture. The Series 2017A-1 Bonds and the provisions of the Indenture are and will be valid and legally enforceable obligations of the Issuer in accordance with their respective terms. The Issuer shall,

at all times, to the extent permitted by law, defend, preserve and protect the pledge created by the Indenture and all the rights of the Owners of the Series 2017A-1 Bonds under the Indenture against all claims and demands of all persons whomsoever.

SECTION 4.04. Assessment Area Two Project to Conform to Consulting Engineers Report. Upon the issuance of the Series 2017A-1 Bonds, the Issuer will promptly proceed to construct or acquire the Assessment Area Two Project, as described in Exhibit A hereto and in the Consulting Engineer's Report relating thereto, all pursuant to the terms and provisions of the Acquisition Agreement.

SECTION 4.05. Prepayments; Removal of Series 2017A-1 Special Assessment Liens.

(a) At any time any owner of property subject to the Series 2017A-1 Special Assessments may, at its option, or as a result of acceleration of the Series 2017A-1 Special Assessments because of non-payment thereof, or by operation of law or contractually, including true-up payments, shall require the Issuer to reduce or release and extinguish the lien upon its property by virtue of the levy of the Series 2017A-1 Special Assessments by paying or causing there to be paid, to the Issuer all or a portion of the Series 2017A-1 Special Assessment, which shall constitute Series 2017A-1 Prepayment Principal, plus, except as provided below, accrued interest to the next succeeding Interest Payment Date (or the first succeeding Interest Payment Date if such Prepayment is made within 45 calendar days before an Interest Payment Date), attributable to the property subject to Series 2017A-1 Special Assessment owned by such owner.

(b) Upon receipt of Series 2017A-1 Prepayment Principal as described in paragraph (a) above, subject to satisfaction of the conditions set forth therein, the Issuer shall immediately pay the amount so received to the Trustee, and the Issuer shall take such action as is necessary to record in the official records of the District that the Series 2017A-1 Special Assessment has been paid in whole or in part and that such Series 2017A-1 Special Assessment lien is thereby reduced, or released and extinguished, as the case may be.

[END OF ARTICLE IV]

ARTICLE V
COVENANTS AND DESIGNATIONS OF THE ISSUER

SECTION 5.01. Collection of Series 2017A-1 Special Assessments. Pursuant to the terms and provisions of the Master Indenture, the Issuer shall collect the Series 2017A-1 Special Assessments relating to the acquisition and construction of the Assessment Area Two Project through the Uniform Method of Collection (the "Uniform Method") afforded by Chapter 197, Florida Statutes. Pursuant to the terms and provisions of the Master Indenture, the Issuer shall, pursuant to the provisions of the Assessment Resolutions, directly collect the Series 2017A-1 Special Assessments levied in lieu of the Uniform Method with respect to any assessable lands which have not yet been platted or for platted lots that are owned by the Developer, unless the Trustee at the direction of the Majority Holders directs the Issuer otherwise or the timing for using the Uniform Method will not yet allow for using such method. In addition, and not in limitation of, the covenants contained elsewhere in this Second Supplemental Indenture and in the Master Indenture, the Issuer covenants to comply with the terms of the proceedings heretofore adopted with respect to the Series 2017A-1 Special Assessments, and to levy the Series 2017A-1 Special Assessments in such manner as will generate funds sufficient to pay debt service on the Series 2017A-1 Bonds when due. All Series 2017A-1 Special Assessments that are collected directly by the Issuer shall be due and payable by the landowner not later than thirty (30) days prior to each Interest Payment Date.

SECTION 5.02. Continuing Disclosure. Contemporaneously with the execution and delivery hereof, the Issuer has executed and delivered a Continuing Disclosure Agreement in order to comply with the requirements of Rule 15c2-12 promulgated under the Securities and Exchange Act of 1934. The Issuer covenants and agrees to comply with the provisions of such Continuing Disclosure Agreement applicable to it; however, as set forth therein, failure to so comply shall not constitute and Event of Default hereunder, but shall instead be enforceable by mandamus or any other means of specific performance.

SECTION 5.03. Investment of Funds and Accounts. The provisions of Section 7.02 of the Master Indenture shall apply to the investment and reinvestment of moneys in the Series 2017A-1 Accounts and subaccounts therein created hereunder and Funds relating thereto.

SECTION 5.04. Additional Obligations. The Issuer covenants not to issue any other Bonds or other debt obligation secured by Special Assessments levied against any assessable lands within Assessment Area Two, other than the Series 2017A-2 Bonds until at least _____ equivalent assessment units have been platted and the corresponding principal amount of the Series 2017A-1 Special Assessments and Series 2017A-2 Special Assessments have been assigned and recorded as assigned in the District's lien book. After such event, the Issuer may issue Bonds or other debt obligations on any assessable lands within Assessment Area Two which have not been platted. Notwithstanding the forgoing, the Issuer further covenants not to issue Bonds or debt obligations secured by Special Assessments levied against any of the platted lots unless such lots have been Substantially Absorbed. Such covenants of the Issuer will not prevent the Issuer from issuing refunding bonds or preclude the Issuer from imposing Special Assessments or other non–ad valorem assessments on any lands within Assessment Area Two in connection with capital projects that are necessary for health, safety or welfare reasons or to remediate any natural disaster. The Issuer and the Trustee may rely on a

written certificate from the District Manager regarding the status of the aforementioned platting and residential units. **[NEEDS TO BE REVISED]**

SECTION 5.05. Requisite Owners for Direction or Consent. Anything in the Master Indenture to the contrary notwithstanding, any direction or consent or similar provision which requires more than fifty percent (50%) of the Owners, shall in each case be deemed to refer to, and shall mean, the Majority Holders.

SECTION 5.06. Acknowledgement Regarding Series 2017A-1 Acquisition and Construction Account Moneys Following an Event of Default. In accordance with the provisions of the Indenture, upon the occurrence of an Event of Default with respect to the Series 2017A-1 Bonds, the Series 2017A-1 Bonds are payable solely from the Series 2017A-1 Pledged Revenues and any other moneys held by the Trustee under the Indenture for such purpose. Anything in the Indenture to the contrary notwithstanding, the Issuer hereby acknowledges that, upon the occurrence of an Event of Default with respect to the Series 2017A-1 Bonds, (i) the 2017A-1 Pledged Revenues include, without limitation, all amounts on deposit in the Series 2017A-1 Acquisition and Construction Account of the Acquisition and Construction Fund then held by the Trustee, (ii) the Series 2017A-1 Pledged Revenues may not be used by the Issuer (whether to pay costs of the Assessment Area Two Project or otherwise) without the consent of the Majority Holders, and (iii) the Series 2017A-1 Pledged Revenues may be used by the Trustee, at the direction or with the approval of the Majority Holders, to pay the reasonable costs and expenses incurred in connection with the pursuit of remedies under the Indenture. Prior to any action by the Trustee under this Section 5.06 or Section 10.05 of the Master Trust Indenture, the Majority Holders shall provide the Issuer an indemnification regarding such actions so directed. The Issuer also acknowledges and agrees that upon an Event of Default the Trustee is authorized to exercise the Issuer's right under the Collateral Assignment at the direction of the Majority Holders but without the consent or approval of the Issuer and the Issuer covenants not to enter into any contract regarding the construction and/or acquisition of the Assessment Area Two Project upon the occurrence of an Event of Default without the written direction of the Majority Holders.

SECTION 5.07. Application of Section 9.31 of Master Indenture. With respect to the Series 2017A Bonds, the covenants of Section 9.31 of the Master Indenture shall not require the Issuer to impose additional assessments, taxes, or other similar amounts, the imposition of which would require an action of the governing body of the Issuer.

[END OF ARTICLE V]

ARTICLE VI
THE TRUSTEE; THE PAYING AGENT AND REGISTRAR

SECTION 6.01. Acceptance of Trust. The Trustee accepts and agrees to execute the trusts hereby created and agrees to perform such trusts upon the terms and conditions set forth in the Indenture. The Trustee agrees to act as Paying Agent and Registrar for the Series 2017A-1 Bonds.

SECTION 6.02. Trustee's Duties. The Trustee shall not be responsible in any manner for the due execution of this Second Supplemental Indenture by the Issuer or for the recitals contained herein (except for the certificate of authentication on the Series 2017A-1 Bonds), all of which are made solely by the Issuer. Except as otherwise expressly stated in this Second Supplemental Indenture, nothing contained herein shall limit the rights, benefits, privileges, protection and entitlement inuring to the Trustee under the Master Indenture.

[END OF ARTICLE VI]

ARTICLE VII
MISCELLANEOUS PROVISIONS

SECTION 7.01. Interpretation of Second Supplemental Indenture. This Second Supplemental Indenture amends and supplements the Master Indenture with respect to the Series 2017A-1 Bonds, and all of the provisions of the Master Indenture, to the extent not inconsistent herewith, are incorporated in this Second Supplemental Indenture by reference. To the maximum extent possible, the Master Indenture and the Second Supplemental Indenture shall be read and construed as one document.

SECTION 7.02. Amendments. Any amendments to this Second Supplemental Indenture shall be made pursuant to the provisions for amendment contained in the Master Indenture.

SECTION 7.03. Counterparts. This Second Supplemental Indenture may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.

SECTION 7.04. Appendices and Exhibits. Any and all schedules, appendices or exhibits referred to in and attached to this Second Supplemental Indenture are hereby incorporated herein and made a part of this Second Supplemental Indenture for all purposes.

SECTION 7.05. Payment Dates. In any case in which an Interest Payment Date or the maturity date of the Series 2017A-1 Bonds or the date fixed for the redemption of any Series 2017A-1 Bonds shall be other than a Business Day, then payment of interest, principal or Redemption Price need not be made on such date but may be made on the next succeeding Business Day, with the same force and effect as if made on the due date, and no interest on such payment shall accrue for the period after such due date if payment is made on such next succeeding Business Day.

SECTION 7.06. No Rights Conferred on Others. Nothing herein contained shall confer any right upon any Person other than the parties hereto and the Holders of the Series 2017A-1 Bonds.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, Avalon Groves Community Development District has caused this Second Supplemental Trust Indenture to be executed by the Chairperson of its Board of Supervisors and its corporate seal to be hereunto affixed and attested by the Assistant Secretary of its Board of Supervisors and Regions Bank has caused this Second Supplemental Trust Indenture to be executed by one of its authorized signatories, all as of the day and year first above written.

AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT

[SEAL]

Attest:

By: _____
Name: _____
Title: Chairperson, Board of Supervisors

By: _____
Name: _____
Title: Assistant Secretary, Board of Supervisors

REGIONS BANK, as Trustee, Paying Agent and Registrar

By: _____
Name: Janet Ricardo
Title: Vice President and Trust Officer

STATE OF FLORIDA)
) SS:
COUNTY OF HILLSBOROUGH)

On this ____ day of _____, 2017, before me, a notary public in and for the State and County aforesaid, personally appeared _____ and _____, Chairperson and Assistant Secretary, respectively, of Avalon Groves Community Development District (the "Issuer"), who acknowledged that they did so sign the foregoing instrument as such officers, respectively, for and on behalf of said Issuer; that the same is their free act and deed as such officers, respectively, and the free act and deed of said Issuer; and that the seal affixed to said instrument is the seal of said Issuer; that they respectively appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said Issuer, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year in this certificate first above written.

NOTARY PUBLIC, STATE OF FLORIDA

_____
(Name of Notary Public, Print, Stamp or Type as Commissioned)

☐ Personally known to me, or
☐ Produced identification:

_____
(Type of Identification Produced)

STATE OF FLORIDA)
) SS:
COUNTY OF _____)

On this ____ day of _____, 2017, before me, a notary public in and for the State and County aforesaid, personally appeared Janet Ricardo, a Vice President and Trust Officer of Regions Bank, as trustee (the "Trustee"), who acknowledged that she did so sign said instrument as such officer for and on behalf of the Trustee; that the same is her free act and deed as such officer and the free act and deed of the Trustee; that she appeared before me on this day in person and acknowledged that she, being thereunto duly authorized, signed, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year in this certificate first above written.

NOTARY PUBLIC, STATE OF FLORIDA

_____
(Name of Notary Public, Print, Stamp or Type as Commissioned)

☐ Personally known to me, or
☐ Produced identification:

_____
(Type of Identification Produced)

EXHIBIT A

DESCRIPTION OF ASSESSMENT AREA TWO PROJECT

The Assessment Area Two Project includes, but is not limited to, the following improvements:

Stormwater management and control facilities, including, but not limited to, related earthwork;
Water and wastewater systems;
Onsite and offsite roadway improvements, including street lighting;
Irrigation for public property;
Landscaping in public rights-of-way including, but not limited to, entrance features; and
All related soft and incidental costs.

All as more particularly described in the Consulting Engineer's Report prepared by Heidt Design, LLC dated October 11, 2016 as amended and supplemented from time to time.

EXHIBIT B

[FORM OF SERIES 2017A-1 BOND]

R-1 **$_____**

UNITED STATES OF AMERICA
STATE OF FLORIDA
COUNTY OF LAKE
AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BOND, SERIES 2017A-1
(ASSESSMENT AREA TWO PROJECT)

Interest Rate	Maturity Date	Date of Original Issuance	CUSIP
_____%		_____, 2017	

Registered Owner:----------Cede & Co.----------

Principal Amount:--

KNOW ALL PERSONS BY THESE PRESENTS that the Avalon Groves Community Development District (the "Issuer"), for value received, hereby promises to pay to the registered owner shown above or registered assigns, on the date specified above, from the sources hereinafter mentioned, upon presentation and surrender hereof (except while the herein defined Series 2017A-1 Bonds are in book-entry only form such presentation shall only be required at final maturity or final payment of the Series 2017A-1 Bonds, at the designated corporate trust office of Regions Bank, as paying agent (said Regions Bank and any successor paying agent being herein called the "Paying Agent"), the Principal Amount set forth above (with interest thereon at the Interest Rate per annum set forth above, computed on 360-day year of twelve 30-day months), said principal payable on the Maturity Date stated above. Principal of this Bond is payable at the designated corporate trust office of Regions Bank, located in Jacksonville, Florida, in lawful money of the United States of America. Interest on this Bond is payable by check or draft of the Paying Agent made payable to the registered owner and mailed on each May 1 and November 1, commencing _____ 1, 2017 to the address of the registered owner as such name and address shall appear on the registry books of the Issuer maintained by Regions Bank, as Registrar (said Regions Bank and any successor registrar being herein called the "Registrar") at the close of business on the fifteenth day of the calendar month preceding each interest payment date or the date on which the principal of a Bond is to be paid (the "Record Date"). Such interest shall be payable from the most recent interest payment date next preceding the date of authentication hereof to which interest has been paid, unless the date of authentication hereof is a May 1 or November 1 to which interest has been paid, in which case from the date of authentication hereof, or unless such date of authentication is prior to _____ 1, 2017, in which case from the date of initial delivery, or unless the date of authentication hereof is between a Record Date and the next succeeding interest payment date, in which case from such interest payment date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such Record Date and may be paid to the person in whose name this Bond is registered at the close of business on a Special Record Date for the

payment of such defaulted interest to be fixed by Regions Bank, as trustee (said Regions Bank and any successor trustee being herein called the "Trustee"), notice whereof shall be given to Bondholders of record as of the fifth (5th) day prior to such mailing, at their registered addresses, not less than ten (10) days prior to such Special Record Date, or may be paid, at any time in any other lawful manner, as more fully provided in the Indenture (defined below). Any capitalized term used in this Bond and not otherwise defined shall have the meaning ascribed to such term in the Indenture.

THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY OUT OF THE SERIES 2017A-1 PLEDGED REVENUES PLEDGED THEREFOR UNDER THE INDENTURE AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE ISSUER, LAKE COUNTY, FLORIDA (THE "COUNTY"), THE STATE OF FLORIDA (THE "STATE"), OR ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE BONDS, EXCEPT THAT THE ISSUER IS OBLIGATED UNDER THE INDENTURE TO LEVY AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, SERIES 2017A-1 SPECIAL ASSESSMENTS (AS DEFINED IN THE INDENTURE) TO SECURE AND PAY THE BONDS. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER, THE COUNTY, THE STATE, OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Indenture until it shall have been authenticated by execution of the Trustee of the certificate of authentication endorsed hereon.

This Bond is one of an authorized issue of Bonds of the Avalon Groves Community Development District, a community development district duly created, organized and existing under Chapter 190, Florida Statutes (the Uniform Community Development District Act of 1980), as amended (the "Act") and Ordinance No. 16-16 of the Board of County Commissioners of Lake County, Florida enacted on April 19, 2016 and becoming effective on April 27, 2016, designated as "Avalon Groves Community Development District Special Assessment Bonds, Series 2017A-1 (Assessment Area Two Project)" (the "Bonds"), in the aggregate principal amount of _____ MILLION _____ AND 00/100 DOLLARS ($_____) of like date, tenor and effect, except as to number, denomination, interest rate and maturity date. The Series 2017A-1 Bonds are being issued under authority of the laws and Constitution of the State of Florida, including particularly the Act, to pay the costs of constructing and/or acquiring a portion of the Assessment Area Two Project (as defined in the herein referred to Indenture). The Series 2017A-1 Bonds shall be issued as fully registered bonds in authorized denominations, as set forth in the Indenture. The Bonds are issued under and secured by a Master Trust Indenture dated as of _____ 1, 2017 (the "Master Indenture"), as amended and supplemented by a Second Supplemental Trust Indenture dated as of _____ 1, 2017 (the "Second Supplemental Indenture" and together with the Master Indenture, the "Indenture"), each by and between the Issuer and the Trustee, executed counterparts of which are on file at the designated corporate trust office of the Trustee in Jacksonville, Florida.

Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of the Series 2017A-1 Bonds issued under the Indenture, the operation and application of the Debt Service Fund, the Series 2017A-1 Reserve Account within the Debt Service Reserve Fund and other Funds and Accounts (each as defined in the Indenture) charged with and pledged to the payment of the principal of and the interest on the Series 2017A-1 Bonds, the levy and the evidencing and certifying for collection, of the Series 2017A-1 Special Assessments, the nature and extent of the security for the Bonds, the terms and conditions on which the Series 2017A-1 Bonds are issued, the rights, duties and obligations of the Issuer and of the Trustee under the Indenture, the conditions under which such Indenture may be amended without the consent of the registered owners of the Series 2017A-1 Bonds, the conditions under which such Indenture may be amended with the consent of the Majority Holders of the Series 2017A-1 Bonds outstanding, and as to other rights and remedies of the registered owners of the Series 2017A-1 Bonds.

The owner of this 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.

It is expressly agreed by the owner of this Bond that such owner shall never have the right to require or compel the exercise of the ad valorem taxing power of the Issuer, the County, the State or any other political subdivision thereof, or taxation in any form of any real or personal property of the Issuer, the County, the State or any other political subdivision thereof, for the payment of the principal of and interest on this Bond or the making of any other sinking fund and other payments provided for in the Indenture, except for Series 2017A-1 Special Assessments to be assessed and levied by the Issuer as set forth in the Indenture.

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

This Bond is payable from and secured by Series 2017A-1 Pledged Revenues, as such term is defined in the Indenture, all in the manner provided in the Indenture. The Indenture provides for the levy and the evidencing and certifying, of non-ad valorem assessments in the form of Series 2017A-1 Special Assessments to secure and pay the Bonds.

The Series 2017A-1 Bonds are subject to redemption prior to maturity in the amounts, at the times and in the manner provided below. All payments of the redemption price of the Series 2017A-1 Bonds shall be made on the dates specified below. Upon any redemption of Series 2017A-1 Bonds other than in accordance with scheduled mandatory sinking fund redemption, the Issuer shall cause to be recalculated and delivered to the Trustee revised mandatory sinking fund redemption amounts recalculated so as to amortize the Outstanding principal amount of Series 2017A-1 Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Series 2017A-1 Bonds. The mandatory sinking fund redemption amounts as so recalculated shall not result in an increase in the aggregate of the mandatory sinking fund redemption amounts for all Series 2017A-1 Bonds in any year. In the event of a redemption or purchase occurring less than 45 days prior to a date on which a mandatory sinking fund redemption payment is due, the

foregoing recalculation shall not be made to the mandatory sinking fund redemption amounts due in the year in which such redemption or purchase occurs, but shall be made to the mandatory sinking fund redemption amounts for the immediately succeeding and subsequent years.

Optional Redemption

The Series 2017A-1 Bonds are subject to redemption prior to maturity at the option of the Issuer, as a whole or in part, at any time, on or after November 1, 20__ (less than all Series 2017A-1 Bonds of a maturity to be selected by lot), at a Redemption Price equal to the principal amount of the Series 2017A-1 Bonds to be redeemed, plus accrued interest from the most recent Interest Payment Date to the redemption date.

Mandatory Sinking Fund Redemption

The Series 2017A-1 Bonds maturing on November 1, 20__ are subject to mandatory sinking fund redemption on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a redemption price of 100% of their principal amount plus accrued interest to the date of redemption. Such principal amounts shall be reduced as specified by the Issuer by the principal amount of any Series 2017A-1 Bonds redeemed pursuant to optional or extraordinary mandatory redemption as set forth herein or purchased and cancelled pursuant to the provisions of the Indenture.

Year	**Mandatory Sinking Fund Redemption Amount**

_____

*Maturity

The Series 2017A-1 Bonds maturing on November 1, 20__ are subject to mandatory sinking fund redemption on November 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a redemption price of 100% of their principal amount plus accrued interest to the date of redemption. Such principal amounts shall be reduced as specified by the Issuer by the principal amount of any Series 2017A-1 Bonds redeemed pursuant to optional or extraordinary mandatory redemption as set forth herein or purchased and cancelled pursuant to the provisions of the Indenture.

Year	Mandatory Sinking Fund Redemption Amount

*Maturity

Extraordinary Mandatory Redemption in Whole or in Part

The Bonds are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole or in part on any date (other than in the case of clause (i) below which extraordinary mandatory redemption in part must occur on a Quarterly Redemption Date), at an extraordinary mandatory redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus interest accrued to the redemption date.

(i) from Series 2017A-1 Prepayment Principal deposited into the Series 2017A-1 Prepayment Subaccount of the Series 2017A-1 Bond Redemption Account following the payment in whole or in part of Series 2017A-1 Special Assessments on any assessable lands within Assessment Area Two of the District in accordance with the provisions of Section 4.05(a) of the Second Supplemental Indenture.

(ii) from moneys, if any, on deposit in the Series 2017A-1 Funds, Accounts and Subaccounts in the Funds and Accounts (other than the Series 2017A-1 Rebate Fund and the Series 2017A-1 Acquisition and Construction Account) sufficient to pay and redeem all Outstanding Series 2017A-1 Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the Indenture.

(iii) upon the Completion Date, from any funds remaining on deposit in the Series 2017A-1 Acquisition and Construction Account not otherwise reserved to complete the Assessment Area Two Project and which have been transferred to the Series 2017A-1 General Redemption Subaccount of the Series 2017A-1 Bond Redemption Account.

Except as otherwise provided in the Indenture, if less than all of the Series 2017A-1 Bonds subject to redemption shall be called for redemption, the particular such Bonds or portions of such Series 2017A-1 Bonds to be redeemed shall be selected by lot by the Trustee, as provided in the A-1 Indenture.

Notice of each redemption of the Series 2017A-1Bonds is required to be mailed by the Trustee by first class mail, postage prepaid, not less than thirty (30) nor more than forty-five (45)

days prior to the redemption date to each Registered Owner of the Series 2017A-1 Bonds to be redeemed at the address of such Registered Owner recorded on the bond register maintained by the Registrar. On the date designated for redemption, notice having been given and money for the payment of the Redemption Price being held by the Trustee or the Paying Agent, all as provided in the Indenture, the Series 2017A-1 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 2017A-1 Bonds or such portions thereof on such date, interest on such Bonds or such portions thereof so called for redemption shall cease to accrue, such Series 2017A-1 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 2017A-1 Bonds or such portions thereof so called for redemption except to receive payments of the Redemption Price thereof so held by the Trustee or the Paying Agent. Further notice of redemption shall be given by the Trustee to certain registered securities depositories and information services as set forth in the Indenture, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed. Notwithstanding the foregoing, the Trustee is authorized to give conditional notice of redemption as provided in the Master Indenture.

The Owner of this 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 2017A-1 Bond which remain unclaimed for three (3) years after the date when such Bond has become due and payable, either at its stated maturity date or by call for earlier redemption shall be paid to the Issuer, thereupon and thereafter no claimant shall have any rights against the Trustee or Paying Agent to or in respect of such moneys.

If the Issuer deposits or causes to be deposited with the Trustee funds or Defeasance Securities (as defined in the Master Indenture) sufficient to pay the principal or Redemption Price of any the 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 Bonds as to the trust estate with respect to the Bonds shall be discharged, except for the rights of the Owners thereof with respect to the funds so deposited as provided in the Indenture.

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

The Issuer shall keep books for the registration of the Series 2017A-1 Bonds at the designated corporate trust office of the Registrar in Jacksonville, Florida. Subject to the restrictions contained in the Indenture, the Series 2017A-1 Bonds may be transferred or

exchanged by the registered owner thereof in person or by his attorney duly authorized in writing only upon the books of the Issuer kept by the Registrar and only upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney. In all cases in which the privilege of transferring or exchanging Series 2017A-1 Bonds is exercised, the Issuer shall execute and the Trustee shall authenticate and deliver a new Series 2017A-1 Bond or Series 2017A-1 Bonds in authorized form and in like aggregate principal amount in accordance with the provisions of the Indenture. Every Series 2017A-1 Bond presented or surrendered for transfer or exchange shall be duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Trustee, Paying Agent or the Registrar, duly executed by the Bondholder or his attorney duly authorized in writing. Transfers and exchanges shall be made without charge to the Bondholder, except that the Issuer or the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Series 2017A-1 Bonds.

The Issuer, the Trustee, the Paying Agent and the Registrar shall deem and treat the person in whose name any Series 2017A-1 Bond shall be registered upon the books kept by the Registrar as the absolute owner thereof (whether or not such Series 2017A-1 Bond shall be overdue) for the purpose of receiving payment of or on account of the principal of and interest on such Series 2017A-1 Bond as the same becomes due, and for all other purposes. All such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Series 2017A-1 Bond to the extent of the sum or sums so paid, and neither the Issuer, the Trustee, the Paying Agent, nor the Registrar shall be affected by any notice to the contrary.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen, and to be performed, precedent to and in connection with the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the laws and Constitution of the State of Florida applicable thereto, including particularly the Act, and that the issuance of this Bond, and of the issue of the Series 2017A-1 Bonds of which this Bond is one, is in full compliance with all constitutional and statutory limitations or provisions.

IN WITNESS WHEREOF, Avalon Groves Community Development District has caused this Bond to be signed by the facsimile signature of the Chairperson of its Board of Supervisors and a facsimile of its seal to be imprinted hereon, and attested by the facsimile signature of the Assistant Secretary of its Board of Supervisors, all as of the date hereof.

AVALON GROVES COMMUNITY
DEVELOPMENT DISTRICT

By: _____
Chairperson, Board of Supervisors

(SEAL)
Attest:

By:_____
Assistant Secretary, Board of Supervisors

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Series 2017A-1 Bonds delivered pursuant to the within mentioned Indenture.

Date of Authentication: _____

REGIONS BANK, as Trustee

By:_____
Vice President and Trust Officer

STATEMENT OF VALIDATION

This Bond is one of a series of Bonds which were validated by judgment of the Circuit Court of the Fifth Judicial Circuit of Florida, in and for Lake County, Florida, rendered on the 22nd day of June, 2016.

AVALON GROVES COMMUNITY
DEVELOPMENT DISTRICT

By: _____
Chairperson, Board of Supervisors

(SEAL)

Attest:

By:_____
Assistant Secretary, Board of Supervisors

ABBREVIATIONS

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

TEN COM	-	as tenants in common
TEN ENT	-	as tenants by the entireties
JT TEN	-	as joint tenants with rights of survivorship and not as tenants in common

UNIFORM TRANSFER MIN ACT - _____ Custodian _____
(Cust) (Minor)

Under Uniform Transfer to Minors Act_____
(State)

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

ASSIGNMENT AND TRANSFER

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

_____

(please print or typewrite name and address of assignee)

_____

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

_____

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

Signature Guarantee:

_____

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

_____

Please insert social security or other identifying number of Assignee.

_____

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

EXHIBIT C

FORMS OF REQUISITIONS

AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BONDS, SERIES 2017A-1
(ASSESSMENT AREA TWO PROJECT)

(Acquisition and Construction)

The undersigned, a Responsible Officer of the Avalon Groves Community Development District (the "District") hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture between the District and Regions Bank, as trustee (the "Trustee"), dated as of _____ 1, 2017, as supplemented by that certain Second Supplemental Trust Indenture dated as of _____ 1, 2017 (collectively, the "Indenture") (all capitalized terms used herein shall have the meaning ascribed to such term in the Indenture):

(A) Requisition Number:

(B) Identify Acquisition Agreement, if applicable;

(C) Name of Payee pursuant to Acquisition Agreement:

(D) Amount Payable per this Requisition:

(E) Amount per Requisition No. _____ relating to the Series 2017A-2 Acquisition and Construction Account.

(F) Purpose for which paid or incurred (refer also to specific contract if amount is due and payable pursuant to a contract involving progress payments):

(G) Fund or Account and subaccount, if any, from which disbursement to be made:

Series 2017A-1 Acquisition and Construction Account of the Acquisition and Construction Fund.

(H) Pro-Rata ratio:

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 Series 2017A-1 Acquisition and Construction Account;

3. each disbursement set forth above was incurred in connection with the Cost of the Assessment Area Two Project; and

4. Each disbursement represents a cost of the Assessment Area Two Project which has not previously been paid.

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.

Originals of the invoice(s) from the vendor of the property acquired or the services rendered with respect to which disbursement is hereby requested are on file with the District.

.

AVALON GROVES COMMUNITY
DEVELOPMENT DISTRICT

By: _____
Responsible Officer

Date:_____

AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BONDS, SERIES 2017A-1
(ASSESSMENT AREA TWO PROJECT)

(Costs of Issuance)

The undersigned, a Responsible Officer of the Avalon Groves Community Development District (the "District") hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture between the District and Regions Bank, as trustee (the "Trustee"), dated as of _____ 1, 2017, as supplemented by that certain Second Supplemental Trust Indenture dated as of _____ 1, 2017 (collectively, the "Indenture") (all capitalized terms used herein shall have the meaning ascribed to such term in the Indenture):

(A) Requisition Number:

(B) Amount Payable:

(C) Purpose for which paid or incurred: Costs of Issuance

(D) Fund or Account and subaccount, if any, from which disbursement to be made:

Series 2017A-1 Costs of Issuance Account of the Acquisition and Construction Fund

The undersigned hereby certifies that:

1. this requisition is for Costs of Issuance payable from the Series 2017A-1 Costs of Issuance Account that have not previously been paid;
2. each disbursement set forth above is a proper charge against the Series 2017A-1 Costs of Issuance Account;
3. each disbursement set forth above was incurred in connection with the issuance of the Series 2017A-1 Bonds; and
4. each disbursement represents a cost of issuance which has not previously been paid.

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.

Attached hereto are originals of the invoice(s) from the vendor of the services rendered with respect to which disbursement is hereby requested.

AVALON GROVES COMMUNITY
DEVELOPMENT DISTRICT

By: _____
Responsible Officer

Date: _____

EXHIBIT D

FORM OF INVESTOR LETTER

[Date]

Avalon Groves Community Development District
c/o DPFG, Inc.
15310 Amberly Drive, Suite 175
Tampa, Florida 33647
Attention: Maik Aagaard

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

Re: $_____ Avalon Groves Community Development District Special Assessment Bonds, Series 2017A-1 (Assessment Area Two Project)

Ladies and Gentlemen:

The undersigned is authorized to sign this letter [on behalf of Name of Non-Individual Investor], as the beneficial owner (the "Investor") of $_____ of the above-referenced Bonds [state maturing on November 1, _____, bearing interest at the rate of ___% per annum and CUSIP #] (herein, the "Investor Bonds").

The undersigned acknowledges that the Bonds were issued for the purpose of providing a portion of the funds necessary to finance the acquisition and construction of certain public infrastructure described in the herein defined Offering Document (the "Issuer"). The undersigned further acknowledges that the Bonds, which include the Investor Bonds, are secured under that certain Master Trust Indenture, dated as of _____, 2017 (the "Master Indenture") and a Second Supplemental Trust Indenture dated as of _____ 1, 2017 ("Second Supplement" and, collectively with the Master Indenture, the "Indenture"), between the Issuer and Regions Bank, as trustee (the "Trustee"), which creates a security interest in the trust estate described therein (the "Security") for the benefit of the Owners of the Bonds. In connection with the purchase of the Investor Bonds by the Investor, the Investor hereby makes the following representations upon which you may rely:

1. The Investor has authority to purchase the Investor Bonds and to execute this letter, any other instruments and documents required to be executed by the Investor in connection with the purchase of the Investor Bonds.

2. The Investor meets the criteria of an "accredited investor" as described in one or more of the categories derived from Rule 501(a) under Regulation D of the Securities Act of 1933, as amended (the "Securities Act") summarized below, and therefore, has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations including those which are not rated or credit-enhanced, to be able to evaluate the risks and merits of the investment represented by the Bonds. Please check the appropriate box below to indicate the type of accredited investor:

❑ a bank, insurance company, registered investment company, business development company, or small business investment company;

❑ an employee benefit plan, within the meaning of the Employee Retirement Income Security Act, if a bank, insurance company, or registered investment adviser makes the investment decisions, or if the plan has total assets in excess of $5 million;

❑ a charitable organization, corporation, or partnership with assets exceeding $5 million;

❑ a business in which all the equity owners are "accredited investors";

❑ a natural person who has individual net worth, or joint net worth with the person's spouse, that exceeds $1 million at the time of the purchase, excluding the value of the primary residence of such person, except that mortgage indebtedness on the primary residence shall not be included as a liability;

❑ a natural person with income exceeding $200,000 in each of the two most recent years or joint income with a spouse exceeding $300,000 for those years and a reasonable expectation of the same income level in the current year; or

❑ a trust with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring the Investor Bonds whose purchase is directed by a sophisticated person.

3. The Investor has been supplied with an (electronic) copy of the Preliminary Limited Offering Memorandum dated _____, 2017 of the Issuer and relating to the Bonds (the "Offering Document") and has reviewed the Offering Document and represents that such Offering Document has provided full and meaningful disclosure in order to make an informed decision to invest in the Investor Bonds.

Capitalized terms used herein and not otherwise defined have the meanings given to such terms in the Indenture.

Very truly yours,

[Name], [Type of Entity]

By: _____
Name: _____
Title: _____
Date: _____

Or

_____
[Name], an Individual

EXHIBIT E

MAP OF ASSESSMENT AREA TWO

WPB 383869858v6/166843.010100

THIRD SUPPLEMENTAL TRUST INDENTURE

BETWEEN

AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT

AND

REGIONS BANK

as Trustee

Dated as of _____ 1, 2017

Authorizing and Securing
$_____
AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BONDS, SERIES 2017A-2
(ASSESSMENT AREA TWO PROJECT)

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THIS THIRD SUPPLEMENTAL TRUST INDENTURE (the "Third Supplemental Indenture"), dated as of _____ 1, 2017 between the AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT (together with its successors and assigns, the "Issuer"), a local unit of special-purpose government organized and existing under the laws of the State of Florida, and REGIONS BANK, a banking corporation duly organized and existing under the laws of the State of Alabama and having a designated corporate trust office in Jacksonville, Florida, as trustee (said banking corporation and any bank or trust company becoming successor trustee under this Third Supplemental Indenture being hereinafter referred to as the "Trustee");

W I T N E S S E T H:

WHEREAS, the Issuer is a local unit of special purpose government duly organized and existing under the provisions of the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), by Ordinance No. 16-16 enacted by the Board of County Commissioners of Lake County, Florida (the "County"), on April 19, 2016 and becoming effective on April 27, 2016; and

WHEREAS, the premises governed by the Issuer, as described more fully in the Ordinance, consisting of approximately 985 acres of land (herein, the "District Lands" or "District"), are located entirely within the unincorporated area of the County; and

WHEREAS, the Issuer has been created for the purpose of delivering certain community development services and facilities for the benefit of certain District Lands; and

WHEREAS, the Issuer has determined to undertake, in one or more stages, the acquisition and/or construction of public improvements and community facilities as set forth in the Act for the special benefit of certain District Lands; and

WHEREAS, the Issuer has previously adopted Resolution No. 2016-21 on April 28, 2016 (the "Original Authorizing Resolution"), authorizing the issuance of not to exceed $70,000,000 in aggregate principal amount of its special assessment bonds in one or more Series (the "Bonds") to finance all or a portion of the design, acquisition and construction costs of certain improvements pursuant to the Act for the special benefit of the District Lands or portions thereof and approving the form of and authorizing the execution and delivery of a master trust indenture and supplemental indenture; and

WHEREAS, the Issuer has determined to create three (3) separate and distinct assessment areas within the District, namely the "Assessment Area One," "Assessment Area Two" and "Assessment Area Three"; and

WHEREAS, to the extent not constructed by the Issuer, VK Avalon Groves LLC, a Florida limited liability company (the "Landowner") is the master developer of a residential community to be located within the District and may construct all of the public infrastructure necessary to serve such residential community which will be built in multiple phases (herein, the "Development"), a portion of such public infrastructure is necessary to develop Assessment Area Two, will be constructed and/or purchased by the Issuer with a portion of the proceeds of the herein described Series 2017A-2 Bonds (such public infrastructure as described on Exhibit A is herein collectively referred to as the "Assessment Area Two Project"); and

WHEREAS, the Issuer has determined to issue a first Series of Bonds with respect to the finance of a portion of the Assessment Area Two Project designated as the Avalon Groves Community Development District Special Assessment Bonds, Series 2017A-2 (Assessment Area Two Project) (the "Series 2017A-2 Bonds"), pursuant to the Master Indenture and the Second Supplemental Indenture (hereinafter sometimes collectively referred to as the "A-1 Indenture"); and

WHEREAS, the Issuer has also determined to issue a second Series of Bonds, with respect to financing all or a portion of the Assessment Area Two Project not financed with the Series 2017A-2 Bonds, designated as the Avalon Groves Community Development District Special Assessment Bonds, Series 2017A-2 (Assessment Area Two Project) (the "Series 2017A-2 Bonds), pursuant to the Master Indenture and this Third Supplemental Indenture (as hereinafter defined) (hereinafter sometimes referred to as the "A-2 Indenture"); and

WHEREAS, the Series 2017-1 Bonds and Series 2017A-2 Bonds are collectively referred to as the "Series 2017A Bonds"; and

WHEREAS, in the manner provided herein, the proceeds of the Series 2017A-2 Bonds will be used to provide funds for (i) the Costs of acquiring and/or constructing a portion of the Assessment Area Two Project, (ii) funding Capitalized Interest through at least November 1, 20XX, (iii) the funding of the Series 2017A-2 Reserve Account, and (iv) the payment of the costs of issuance of the Series 2017A Bonds; and

WHEREAS, the Series 2017A-1 Bonds will be secured by a pledge of Series 2017A-1 Pledged Revenues (as hereinafter defined) to the extent provided herein; and

WHEREAS, the Series 2017A-2 Bonds will be secured by a pledge of Series 2017A-2 Pledged Revenues (as defined in the Third Supplemental Indenture).

NOW, THEREFORE, THIS THIRD SUPPLEMENTAL INDENTURE WITNESSETH, that to provide for the issuance of the Series 2017A-2 Bonds, the security and payment of the principal or Redemption Price thereof (as the case may be) and interest thereon, the rights of the Bondholders and the performance and observance of all of the covenants contained herein and in said Series 2017A-2 Bonds, and for and in consideration of the mutual covenants herein contained and of the purchase and acceptance of the Series 2017A-2 Bonds by the Owners thereof, from time to time, and of the acceptance by the Trustee of the trusts hereby created, and intending to be legally bound hereby, the Issuer does hereby assign, transfer, set over and pledge to Regions Bank, as Trustee, its successors in trust and its assigns forever, and grants a lien on all of the right, title and interest of the Issuer in and to the Series 2017A-2 Pledged Revenues as security for the payment of the principal, redemption or purchase price of (as the case may be) and interest on the Series 2017A-2 Bonds issued hereunder, all in the manner hereinafter provided, and the Issuer further hereby agrees with and covenants unto the Trustee as follows:

TO HAVE AND TO HOLD the same and any other revenues, property, contracts or contract rights, accounts receivable, chattel paper, instruments, general intangibles or other rights and the proceeds thereof, which may, by delivery, assignment or otherwise, be subject to the lien created by the Indenture with respect to the Series 2017A-2 Bonds.

IN TRUST NEVERTHELESS, for the equal and ratable benefit and security of all present and future Owners of the Series 2017A-2 Bonds issued and to be issued under this Third Supplemental Indenture, without preference, priority or distinction as to lien or otherwise (except as otherwise specifically provided in this Third Supplemental Indenture) of any one Series 2017A-2 Bond over any other Series 2017A-2 Bond, all as provided in the Indenture.

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, or make due provision for the payment of the principal or redemption price of the Series 2017A-2 Bonds issued, secured and Outstanding hereunder and the interest due or to become due thereon, at the times and in the manner mentioned in such Series 2017A-2 Bonds and the Indenture, according to the true intent and meaning thereof and hereof, and the Issuer shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of the Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments this Third Supplemental Indenture and the rights hereby granted shall cease and terminate, otherwise this Third Supplemental Indenture to be and remain in full force and effect.

ARTICLE I
DEFINITIONS

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

"Acquisition Agreement" shall mean that certain Acquisition and Completion Agreement relating to the acquisition of the Assessment Area Two Project, by and between the Landowner and the Issuer.

"Arbitrage Certificate" shall mean that certain Arbitrage Certificate, including arbitrage rebate covenants, of the Issuer, dated _____ ___, 2017, relating to certain restrictions on arbitrage under the Code with respect to the Series 2017A Bonds.

"Assessment Area Two" shall mean the area within the District that the Issuer will levy both the Series 2017A-1 Special Assessments and Series 2017A-2 Special Assessments as such area is described in the Assessment Resolutions.

"Assessment Area Two Project" shall mean a portion of the public infrastructure deemed necessary for the development of Assessment Area Two within the District generally described on Exhibit A attached hereto.

"Assessment Resolutions" shall mean Resolution No. 2017-03, Resolution No. 2017-04 and Resolution No. 2017-_____ of the Issuer adopted on October 27, 2016, October 27, 2016 and _____ ___, 2017, respectively, as amended and supplemented from time to time.

"Authorized Denomination" shall mean, with respect to the Series 2017A-2 Bonds, on the date of issuance, in the denominations of $5,000 and any integral multiple thereof provided,

however, if any initial beneficial owner does not purchase at least $100,000 of the Series 2017A-2 Bonds at the time of initial delivery of the Series 2017A-2 Bonds, such beneficial owner must execute and deliver to the Issuer and the Underwriter on the date of delivery of the Series 2017A-2 Bonds the investor letter substantially in the form attached hereto as Exhibit D or otherwise establish to the satisfaction of the Underwriter that such Beneficial Owner is an "accredited investor," as described in Rule 501(a) under Regulation D of the Securities Act of 1936, as amended.

"Bonds" shall mean the Issuer's Special Assessments Bonds issued pursuant to the Master Indenture.

"Capitalized Interest" shall mean interest due or to become due on the Series 2017A-2 Bonds, which will be paid, or is expected to be paid, from the proceeds of the Series 2017A-2 Bonds.

"Collateral Assignment" shall mean that certain instrument executed by the Landowner in favor of the Issuer whereby all of the Project Documents and other material documents necessary to complete that portion of the Development within Assessment Area Two (comprising all of the development planned for Assessment Area Two including any recreational amenities) are collaterally assigned as security for the Landowner's obligation to pay the Series 2017A-2 Special Assessments and the Series 2017A-2 Special Assessments imposed against lands within the Assessment Area Two owned by the Landowner, any successor thereto or builders from time to time.

"Continuing Disclosure Agreement" shall mean the Continuing Disclosure Agreement for the benefit of the owners of the Series 2017A Bonds, dated _____ __, 2017, by and among the Issuer, the dissemination agent named therein, the Landowner and joined by the parties named therein, in connection with the issuance of the Series 2017A-2 Bonds.

"Defeasance Securities" shall mean, with respect to the Series 2017A-2 Bonds, to the extent permitted by law, (a) cash deposits (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in clause (b) hereof), and (b) direct obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of Treasury) which are non-callable and non-prepayable.

"District Manager" shall mean Development Planning & Finance Group, LLC, and its successors and assigns.

"Indenture" or "A-2 Indenture" shall mean collectively, the Master Indenture and this Third Supplemental Indenture.

"Interest Payment Date" shall mean May 1 and November 1 of each year and each Quarterly Redemption Date commencing _____ 1, 2017, each Quarterly Redemption Date and any other date the principal of the Series 2017A-2 Bonds is paid.

"Majority Holders" means the beneficial owners of more than fifty percent (50%) of the Outstanding Series 2017A-2 Bonds.

"Master Indenture" shall mean the Master Trust Indenture, dated as of _____ 1, 2017, by and between the Issuer and the Trustee, as supplemented and amended with respect to matters pertaining solely to the Master Indenture or the Series 2017A-2 Bonds (as opposed to supplements or amendments relating to any other Series of Bonds).

"Paying Agent" shall mean Regions Bank, and its successors and assigns as Paying Agent hereunder.

"Prepayment" shall mean the payment by any owner of property within Assessment Area Two of the amount of the Series 2017A-2 Special Assessments encumbering its property, in whole or in part, prior to its scheduled due date, including optional prepayments. The term "Prepayment" also means any proceeds received as a result of accelerating and/or foreclosing the Series 2017A-2 Special Assessments. "Prepayments" shall include, without limitation, Series 2017A-2 Prepayment Principal.

"Pro-Rata" shall mean the ratio of the Outstanding principal amount of the Series 2017A-2 Bonds over the Outstanding principal amount of the Series 2017A-1 Bonds.

"Quarterly Redemption Date" shall mean each February 1, May 1, August 1 and November 1.

"Redemption Price" shall mean the principal amount of any Series 2017A-2 Bond payable upon redemption thereof pursuant to this Third Supplemental Indenture.

"Registrar" shall mean Regions Bank and its successors and assigns as Registrar hereunder.

"Regular Record Date" shall mean the fifteenth day (whether or not a Business Day) of the calendar month next preceding each Interest Payment Date.

"Resolution" shall mean, collectively, (i) Resolution No. 2016-21 of the Issuer adopted on April 28, 2016, pursuant to which the Issuer authorized the issuance of not exceeding $70,000,000 aggregate principal amount of its Bonds to finance the construction or acquisition of public infrastructure within the District, and (ii) Resolution No. 2017-____ of the Issuer adopted on _____ ___, 2017, pursuant to which the Issuer authorized, among other things, the issuance of the Series 2017A Bonds in an aggregate principal amount of $_____ to finance the acquisition of all or a portion of the Assessment Area Two Project, specifying the details of the Series 2017A Bonds and awarding the Series 2017A Bonds to the Underwriter of the Series 2017A Bonds, pursuant to the parameters established thereunder.

"Second Supplemental Indenture" shall mean that certain Second Supplemental Indenture dated as of _____ 1, 2017 by and between the Issuer and the Trustee and pursuant to which, together with the Master Indenture, the Series 2017A-1 Bonds have been issued.

"Series 2017A-1 Acquisition and Construction Account" shall mean the Account so designated, established as a separate Account within the Acquisition and Construction Fund pursuant to Section 4.01(a) of the Second Supplemental Indenture.

"Series 2017A-1 Bonds" shall mean the $_____ aggregate principal amount of Avalon Groves Community Development District Special Assessment Bonds, Series 2017A-1 (Assessment Area Two Project), to be issued as fully registered Bonds in accordance with the provisions of the Master Indenture and the Second Supplemental Indenture, and secured and authorized by the Master Indenture and the Second Supplemental Indenture.

"Series 2017A-2 Acquisition and Construction Account" shall mean the Account so designated, established as a separate Account within the Acquisition and Construction Fund pursuant to Section 4.01(a) of this Third Supplemental Indenture.

"Series 2017A-2 Bond Redemption Account" shall mean the Series 2017A-2 Bond Redemption Account established as a separate Account within the Bond Redemption Fund pursuant to Section 4.01(g) of this Third Supplemental Indenture.

"Series 2017A-2 Bonds" shall mean the $_____ aggregate principal amount of Avalon Groves Community Development District Special Assessment Bonds, Series 2017A-2 (Assessment Area Two Project), to be issued as fully registered Bonds in accordance with the provisions of the Master Indenture and this Third Supplemental Indenture, and secured and authorized by the Master Indenture and this Third Supplemental Indenture.

"Series 2017A-2 Capitalized Interest Account" shall mean the account so designated, established as a separate account within the Debt Service Fund pursuant to Section 4.01(d) of this Third Supplemental Indenture.

"Series 2017A-2 Costs of Issuance Account" shall mean the Account so designated, established as a separate Account within the Acquisition and Construction Fund pursuant to Section 4.01(a) of this Third Supplemental Indenture.

"Series 2017A-2 General Redemption Subaccount" shall mean the subaccount so designated, established as a separate subaccount under the Series 2017A-2 Bond Redemption Account pursuant to Section 4.01(g) of this Third Supplemental Indenture.

"Series 2017A-2 Interest Account" shall mean the Account so designated, established as a separate Account within the Debt Service Fund pursuant to Section 4.01(d) of this Third Supplemental Indenture .

"Series 2017A-2 Pledged Revenues" shall mean (a) all revenues received by the Issuer from the Series 2017A-2 Special Assessments levied and collected on certain assessable lands within Assessment Area Two of the District, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Series 2017A-2 Special Assessments or from the issuance and sale of tax certificates with respect to such Series 2017A-2 Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the A-2 Indenture created and established with respect to or for the benefit of the Series 2017A-2 Bonds; provided, however, that Series 2017A-2 Pledged Revenues shall not include (A) any moneys transferred to the Series 2017A-2 Rebate Fund and investment earnings thereon, (B) moneys on deposit in the Series 2017A-2 Costs of Issuance Account of the Acquisition and Construction Fund, and (C) "special assessments" levied and collected by the Issuer under Section 190.022 of the Act for maintenance purposes or "maintenance assessments"

levied and collected by the Issuer 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), (B) and (C) of this proviso).

"Series 2017A-2 Prepayment Principal" shall mean the portion of a Prepayment corresponding to the principal amount of the Series 2017A-2 Special Assessments being prepaid pursuant to Section 4.05 of this Third Supplemental Indenture or as a result of an acceleration of the Series 2017A-2 Special Assessments pursuant to Section 170.10, Florida Statutes, if such Series 2017A-2 Special Assessments are being collected through a direct billing method.

"Series 2017A-2 Prepayment Subaccount" shall mean the subaccount so designated, established as a separate subaccount under the Series 2017A-2 Bond Redemption Account pursuant to Section 4.01(g) of this Third Supplemental Indenture.

"Series 2017A-2 Principal Account" shall mean the account so designated, established as a separate account within the Debt Service Fund pursuant to Section 4.01(c) of this Third Supplemental Indenture.

"Series 2017A-2 Rebate Fund" shall mean the Fund so designated, established pursuant to Section 4.01(j) of this Third Supplemental Indenture.

"Series 2017A-2 Reserve Account" shall mean the Series 2017A-2 Reserve Account established as a separate Account within the Debt Service Reserve Fund pursuant to Section 4.01(f) of this Third Supplemental Indenture.

"Series 2017A-2 Reserve Requirement" or "Reserve Requirement" shall mean an amount equal to _____% of the maximum annual debt service with respect to the initial principal amount of the Series 2017A-2 Bonds determined on the date of issuance. Any amount in the Series 2017A-2 Reserve Account may, upon final maturity or redemption of all Outstanding Series 2017A-2 Bonds be used to pay principal of and interest on the Series 2017A-2 Bonds at that time. The Series 2017A-2 Reserve Requirement shall be equal to $_____.

"Series 2017A-2 Revenue Account" shall mean the Account so designated, established as a separate Account within the Revenue Fund pursuant to Section 4.01(b) of this Third Supplemental Indenture.

"Series 2017A-2 Special Assessments" shall mean a portion of the Special Assessments levied on the assessable lands within Assessment Area Two of the District as a result of the Issuer's acquisition and/or construction of a portion of the Assessment Area Two Project, corresponding in amount to the debt service on the Series 2017A-2 Bonds and designated as such in the methodology report relating thereto.

"Series 2017A-2 Bonds" shall mean the $_____ aggregate principal amount of Avalon Groves Community Development District Special Assessment Bonds, Series 2017A-2 (Assessment Area Two Project), to be issued as fully registered Bonds in accordance with the provisions of the Master Indenture and this Third Supplemental Indenture, and secured and authorized by the Master Indenture and this Third Supplemental Indenture.

"Series 2017A-2 Special Assessments" shall mean a portion of the Special Assessments levied on the assessable lands within Assessment Area Two of the District as a result of the Issuer's acquisition and/or construction of a portion of the Assessment Area Two Project, corresponding in amount to the debt service on the Series 2017A-2 Bonds and designated as such in the methodology report relating thereto.

"Substantially Absorbed" shall mean the date when at least ___% of the principal portion of the Series 2017A-2 Special Assessments have been assigned to residential units within Assessment Area Two that have received certificates of occupancy.

"Third Supplemental Indenture" shall mean this Third Supplemental Indenture dated as of _____ 1, 2017 by and between the Issuer and the Trustee and pursuant to which, together with the Master Indenture, the Series 2017A-2 Bonds have been issued.

"Underwriter" shall mean FMSbonds, Inc., the underwriter of the Series 2017A-2 Bonds.

The words "hereof," "herein," "hereto," "hereby," and "hereunder" (except in the form of Series 2017A-2 Bonds), refer to the entire Indenture.

Every "request," "requisition," "order," "demand," "application," "notice," "statement," "certificate," "consent," or similar action hereunder by the Issuer shall, unless the form or execution thereof is otherwise specifically provided, be in writing signed by the Chairperson or Vice Chairperson and the Treasurer or Assistant Treasurer or the Secretary or Assistant Secretary or Responsible Officer of the Issuer.

All words and terms importing the singular number shall, where the context requires, import the plural number and vice versa.

[END OF ARTICLE I]

ARTICLE II
THE SERIES 2017A-2 BONDS

SECTION 2.01. Amounts and Terms of Series 2017A-2 Bonds; Issue of Series 2017A-2 Bonds. No Series 2017A-2 Bonds may be issued under this Third Supplemental Indenture except in accordance with the provisions of this Article and Articles II and III of the Master Indenture.

(a) The total principal amount of Series 2017A-2 Bonds that may be issued under this Third Supplemental Indenture is expressly limited to $_____. The Series 2017A-2 Bonds shall be numbered consecutively from RA1-1 and upwards.

(b) Any and all Series 2017A-2 Bonds shall be issued substantially in the form attached hereto as Exhibit B, with such appropriate variations, omissions and insertions as are permitted or required by the Indenture and with such additional changes as may be necessary or appropriate to conform to the provisions of the Resolution. The Issuer shall issue the Series 2017A-2 Bonds upon execution of this Third Supplemental Indenture and satisfaction of the requirements of Section 3.01 of the Master Indenture; and the Trustee shall, at the Issuer's request, authenticate such Series 2017A-2 Bonds and deliver them as specified in the request.

SECTION 2.02. Execution. The Series 2017A-2 Bonds shall be executed by the Issuer as set forth in the Master Indenture.

SECTION 2.03. Authentication. The Series 2017A-2 Bonds shall be authenticated as set forth in the Master Indenture. No Series 2017A-2 Bond shall be valid until the certificate of authentication shall have been duly executed by the Trustee, as provided in the Master Indenture.

SECTION 2.04. Purpose, Designation and Denominations of, and Interest Accruals on, the Series 2017A-2 Bonds.

(a) The Series 2017A-2 Bonds are being issued hereunder in order to provide funds (i) for the payment of the Costs of acquiring and/or constructing a portion of the Assessment Area Two Project, (ii) to fund the Series 2017A-2 Reserve Account in an amount equal to the Series 2017A-2 Reserve Requirement; (iii) to fund Capitalized Interest through at least November 1, 20XX; and (iv) to pay the costs of issuance of the Series 2017A-2 Bonds. The Series 2017A-2 Bonds shall be designated "Avalon Groves Community Development District Special Assessment Bonds, Series 2017A-2 (Assessment Area Two Project)," and shall be issued as fully registered bonds without coupons in Authorized Denominations.

(b) The Series 2017A-2 Bonds shall be dated as of the date of initial delivery. Interest on the Series 2017A-2 Bonds shall be payable on each Interest Payment Date to maturity or prior redemption. Interest on the Series 2017A-2 Bonds shall be payable from the most recent Interest Payment Date next preceding the date of authentication thereof to which interest has been paid, unless the date of authentication thereof is a May 1 or November 1 to which interest has been paid, in which case from such date of authentication, or unless the date of authentication thereof is prior to May 1, 2017, in which case from the date of initial delivery or

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

(c) Except as otherwise provided in Section 2.07 of this Third Supplemental Indenture in connection with a book entry only system of registration of the Series 2017A-2 Bonds, the principal or Redemption Price of the Series 2017A-2 Bonds shall be payable in lawful money of the United States of America at the designated corporate trust office of the Paying Agent upon presentation of such Series 2017A-2 Bonds. Except as otherwise provided in Section 2.07 of this Third Supplemental Indenture in connection with a book entry only system of registration of the Series 2017A-2 Bonds, the payment of interest on the Series 2017A-2 Bonds shall be made on each Interest Payment Date to the Owners of the Series 2017A-2 Bonds by check or draft drawn on the Paying Agent and mailed on the applicable Interest Payment Date to each Owner as such Owner appears on the Bond Register maintained by the Registrar as of the close of business on the Regular Record Date, at his address as it appears on the Bond Register. Any interest on any Series 2017A-2 Bond which is payable, but is not punctually paid or provided for on any Interest Payment Date (hereinafter called "Defaulted Interest") shall be paid to the Owner in whose name the Series 2017A-2 Bond is registered at the close of business on a Special Record Date to be fixed by the Trustee, such date to be not more than fifteen (15) nor less than ten (10) days prior to the date of proposed payment. The Trustee shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class, postage-prepaid, to each Owner of record as of the fifth (5th) day prior to such mailing, at his address as it appears in the Bond Register not less than ten (10) days prior to such Special Record Date. The foregoing notwithstanding, any Owner of Series 2017A-2 Bonds in an aggregate principal amount of at least $1,000,000 shall be entitled to have interest paid by wire transfer to such Owner to the bank account number on file with the Paying Agent, upon requesting the same in a writing received by the Paying Agent at least fifteen (15) days prior to the relevant Record Date, which writing shall specify the bank, which shall be a bank within the continental United States, and bank account number to which interest payments are to be wired. Any such request for interest payments by wire transfer shall remain in effect until rescinded or changed, in a writing delivered by the Owner to the Paying Agent, and any such rescission or change of wire transfer instructions must be received by the Paying Agent at least fifteen (15) days prior to the relevant Record Date.

SECTION 2.05. Debt Service on the Series 2017A-2 Bonds.

(a) The Series 2017A-2 Bonds will mature on November 1 in the year and in the principal amount, and bear interest at the rate all set forth below, subject to the right of prior redemption in accordance with their terms.

Year	**Amount**	**Interest Rate**
_____*	$_____	_____%

*Term Bonds

(b) Interest on the Series 2017A-2 Bonds will be computed in all cases on the basis of a 360 day year of twelve 30 day months. Interest on overdue principal and, to the extent lawful, on overdue interest will be payable at the numerical rate of interest borne by the Series 2017A-2 Bonds on the day before the default occurred.

SECTION 2.06. Disposition of Series 2017A-2 Bond Proceeds. From the net proceeds of the Series 2017A-2 Bonds received by the Trustee in the amount of $_____, $_____ derived from the net proceeds of the Series 2017A-2 Bonds (which is an amount equal to the Series 2017A-2 Reserve Requirement) shall be deposited in the Series 2017A-2 Reserve Account of the Debt Service Reserve Fund;

(a) $_____ derived from the net proceeds of the Series 2017A-2 Bonds shall be deposited into the Series 2017A-2 Capitalized Interest Account to pay Capitalized Interest;

(b) $_____ derived from the net proceeds of the Series 2017A-2 Bonds shall be deposited into the Series 2017A-2 Costs of Issuance Account of the Acquisition and Construction Fund for payment of the costs of issuing the Series 2017A-2 Bonds; and

(c) $_____ representing the balance of the net proceeds of the Series 2017A-2 Bonds shall be deposited in the Series 2017A-2 Acquisition and Construction Account of the Acquisition and Construction Fund which the Issuer shall cause to be applied in accordance with Article V of the Master Indenture and the terms of the Acquisition Agreement.

SECTION 2.07. Book-Entry Form of Series 2017A-2 Bonds. The Series 2017A-2 Bonds shall be issued as one fully registered bond for each maturity of Series 2017A-2 Bonds and deposited with The Depository Trust Company ("DTC"), New York, New York, which is responsible for establishing and maintaining records of ownership for its participants.

As long as the Series 2017A-2 Bonds are held in book-entry-only form, Cede & Co. shall be considered the registered owner for all purposes hereof and in the Master Indenture. DTC shall be responsible for maintaining a book-entry-only system for recording the ownership interest of its participants ("DTC Participants") and other institutions that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly ("Indirect Participants"). The DTC Participants and Indirect Participants will be responsible for maintaining records with respect to the beneficial ownership interests of individual purchasers of the Series 2017A-2 Bonds ("Beneficial Owners").

Principal and interest on the Series 2017A-2 Bonds registered in the name of Cede & Co. prior to and at maturity shall be payable directly to Cede & Co. in care of DTC. Disbursal of such amounts to DTC Participants shall be the responsibility of DTC. Payments by DTC Participants to Indirect Participants, and by DTC Participants and Indirect Participants to Beneficial Owners shall be the responsibility of DTC Participants and Indirect Participants and not of DTC, the Trustee or the Issuer.

Individuals may purchase beneficial interests in Authorized Denominations in book-entry-only form, without certificated Series 2017A-2 Bonds, through DTC Participants and Indirect Participants.

During the period for which Cede & Co. is registered owner of the Series 2017A-2 Bonds, any notices to be provided to any Beneficial Owner will be provided to Cede & Co. DTC

shall be responsible for notices to DTC Participants and DTC Participants shall be responsible for notices to Indirect Participants, and DTC Participants and Indirect Participants shall be responsible for notices to Beneficial Owners.

The Issuer and the Trustee, if appropriate, shall enter into a blanket letter of representations with DTC providing for such book-entry-only system. Such agreement may be terminated at any time by either DTC or the Issuer in accordance with the procedures of DTC. In the event of such termination, the Issuer shall select another securities depository and in that event, all references herein to DTC or Cede & Co., shall be deemed to be for reference to such successor. If the Issuer does not replace DTC, the Trustee will register and deliver to the Beneficial Owners replacement Series 2017A-2 Bonds in the form of fully registered Series 2017A-2 Bonds in accordance with the instructions from Cede & Co.

In the event DTC, any successor of DTC or the Issuer, but only in accordance with the procedures of DTC, elects to discontinue the book-entry only system, the Trustee shall deliver bond certificates in accordance with the instructions from DTC or its successor and after such time Series 2017A-2 Bonds may be exchanged for an equal aggregate principal amount of Series 2017A-2 Bonds in other Authorized Denominations upon surrender thereof at the designated corporate trust office of the Trustee.

SECTION 2.08. Appointment of Registrar and Paying Agent. The Issuer shall keep, at the designated corporate trust office of the Registrar, books (the "Bond Register") for the registration, transfer and exchange of the Series 2017A-2 Bonds, and hereby appoints Regions Bank, as its Registrar to keep such books and make such registrations, transfers, and exchanges as required hereby. Regions Bank hereby accepts its appointment as Registrar and its duties and responsibilities as Registrar hereunder. Registrations, transfers and exchanges shall be without charge to the Bondholder requesting such registration, transfer or exchange, but such Bondholder shall pay any taxes or other governmental charges on all registrations, transfers and exchanges.

The Issuer hereby appoints Regions Bank as Paying Agent for the Series 2017A-2 Bonds. Regions Bank hereby accepts its appointment as Paying Agent and its duties and responsibilities as Paying Agent hereunder.

SECTION 2.09. Conditions Precedent to Issuance of the Series 2017A-2 Bonds. In addition to complying with the requirements set forth in the Master Indenture in connection with the issuance of the Series 2017A-2 Bonds, all the Series 2017A-2 Bonds shall be executed by the Issuer for delivery to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the Issuer or upon its order, but only upon the further receipt by the Trustee of:

(a) Certified copies of the Assessment Resolutions;

(b) Executed originals of the Master Indenture and this Third Supplemental Indenture;

(c) An opinion of Counsel to the District substantially to the effect that (i) the Issuer has been duly established and validly exists as a community development district under the Act, (ii) the Issuer has good right and lawful authority under the Act to construct and/or purchase the Assessment Area Two Project being financed with the proceeds of the Series

2017A-2 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 own and operate the Assessment Area Two Project, (iii) all proceedings undertaken by the Issuer with respect to the Series 2017A-2 Special Assessments have been in accordance with Florida law, (iv) the Issuer has taken all action necessary to levy and impose the Series 2017A-2 Special Assessments, and (v) the Series 2017A-2 Special Assessments are legal, valid and binding liens upon the property against which such Series 2017A-2 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;

(d) A certificate of an Authorized Officer to the effect that, upon the authentication and delivery of the Series 2017A-2 Bonds, the Issuer will not be in default in the performance of the terms and provisions of the Master Indenture or this Third Supplemental Indenture;

(e) An opinion of Bond Counsel;

(f) A certificate of the Issuer's methodology consultant that the benefit from the proposed Assessment Area Two Project equals or exceeds the amount of corresponding Series 2017A-1 Special Assessments and Series 2017A-2 Special Assessments, that the Series 2017A-2 Special Assessments are fairly and reasonably allocated across the land that are subject to the Series 2017A-2 Special Assessments, and that the Series 2017A-2 Special Assessments are sufficient to pay the Debt Service on the Series 2017A-2 Bonds; and

(g) A copy of the Collateral Assignment.

[END OF ARTICLE II]

ARTICLE III
REDEMPTION OF SERIES 2017A-2 BONDS

SECTION 3.01. Redemption Dates and Prices. The Series 2017A-2 Bonds shall be subject to redemption at the times and in the manner provided in Article VIII of the Master Indenture and in this Article III. All payments of the Redemption Price of the Series 2017A-2 Bonds shall be made on the dates hereinafter required. Except as otherwise provided in this Section 3.01, if less than all the Series 2017A-2 Bonds are to be redeemed pursuant to an extraordinary mandatory redemption, the Trustee shall select the Series 2017A-2 Bonds or portions of the Series 2017A-2 Bonds to be redeemed randomly. Partial redemptions of Series 2017A-2 Bonds shall be made in such a manner that the remaining Series 2017A-2 Bonds held by each Bondholder shall be in Authorized Denominations, except for the last remaining Series 2017A-2 Bond.

The Series 2017A-2 Bonds are subject to redemption prior to maturity in the amounts, at the times and in the manner provided below. All payments of the Redemption Price of the Series 2017A-2 Bonds shall be made on the dates specified below.

(a) Optional Redemption. The Series 2017A-2 Bonds are not subject to optional redemption.

(b) Extraordinary Mandatory Redemption in Whole or in Part. The Series 2017A-2 Bonds are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole or in part, on any date (other than in the case of clause (i) below which extraordinary mandatory redemption in part must occur on a Quarterly Redemption Date), at a Redemption Price equal to 100% of the principal amount of the Series 2017A-2 Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

(i) from Series 2017A-2 Prepayment Principal deposited into the Series 2017A-2 Prepayment Subaccount of the Series 2017A-2 Bond Redemption Account following the payment in whole or in part of Series 2017A-2 Special Assessments on any assessable property within Assessment Area Two of the District in accordance with the provisions of Section 4.05(a) of this Third Supplemental Indenture.

(ii) from moneys, if any, on deposit in the Series 2017A-2 Funds, Accounts and Subaccounts in the Funds and Accounts (other than the Series 2017A-2 Rebate Fund and the Series 2017A-2 Acquisition and Construction Account) sufficient to pay and redeem all Outstanding Series 2017A-2 Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the A-2 Indenture.

(iii) Upon the Completion Date, from any funds remaining on deposit in the Series 2017A-2 Acquisition and Construction Account not otherwise reserved to complete a portion of the Assessment Area Two Project and which have been transferred to the Series 2017A-2 General Redemption Subaccount of the Series 2017A-2 Bond Redemption Account.

SECTION 3.02. Notice of Redemption. When required to redeem Series 2017A-2 Bonds under any provision of this Third Supplemental Indenture, the Trustee shall give or cause

to be given to Owners of the Series 2017A-2 Bonds to be redeemed, notice of the redemption, as set forth in Article VIII of the Master Indenture.

[END OF ARTICLE III]

ARTICLE IV
ESTABLISHMENT OF CERTAIN FUNDS AND ACCOUNTS; ADDITIONAL COVENANTS OF THE ISSUER; PREPAYMENTS; REMOVAL OF SERIES 2017A-2 SPECIAL ASSESSMENT LIENS

SECTION 4.01. Establishment of Certain Funds and Accounts.

(a) The Trustee shall establish a separate account within the Acquisition and Construction Fund designated as the "Series 2017A-2 Acquisition and Construction Account." Proceeds of the Series 2017A-2 Bonds shall be deposited into the Series 2017A-2 Acquisition and Construction Account in the amount set forth in Section 2.06 of this Third Supplemental Indenture, together with any moneys transferred to the Series 2017A-2 Acquisition and Construction Account, and such moneys in the Series 2017A-2 Acquisition and Construction Account shall be applied as set forth in Section 5.01 of the Master Indenture. Moneys on deposit in the Series 2017A-2 Acquisition and Construction Account shall be requisitioned Pro-Rata with the money on deposit in the Series 2017A-1 Acquisition and Construction Account created and established under the A-1 Indenture. After the Completion Date, any moneys remaining in the Series 2017A-2 Acquisition and Construction Account, as evidenced in writing from the Issuer or from the District Manager, on behalf of the Issuer to the Trustee, shall be transferred to the Series 2017A-2 General Redemption Subaccount of the Series 2017A-2 Bond Redemption Account. Upon presentment to the Trustee of a properly signed requisition in substantially the form attached hereto as Exhibit C, the Trustee shall withdraw moneys from the Series 2017A-2 Acquisition and Construction Account. The Trustee shall not pay any requisition submitted if an Event of Default as to which the Trustee is deemed to have knowledge under the Indenture has occurred and is continuing unless directed in writing by the Majority Holders. Pursuant to the Master Indenture, the Trustee shall establish a separate account within the Acquisition and Construction Fund designated as the "Series 2017A-2 Costs of Issuance Account." Proceeds of the Series 2017A-2 Bonds shall be deposited into the Series 2017A-2 Costs of Issuance Account in the amount set forth in Section 2.06 of this Third Supplemental Indenture. Upon presentment to the Trustee of a properly signed requisition in substantially the form attached hereto as Exhibit C, the Trustee shall withdraw moneys from the Series 2017A-2 Costs of Issuance Account to pay the costs of issuing the Series 2017A-2 Bonds. Six months after the issuance of the Series 2017A-2 Bonds, any moneys remaining in the Series 2017A-2 Costs of Issuance Account in excess of the actual costs of issuing the Series 2017A-2 Bonds requested to be disbursed by the Issuer shall be deposited into the Series 2017A-2 Interest Account. Any deficiency in the amount allocated to pay the cost of issuing the Series 2017A-2 Bonds shall be paid from excess Series 2017A-2 Pledged Revenues on deposit in the Series 2017A-2 Revenue Account.

(b) Pursuant to Section 6.03 of the Master Indenture, the Trustee shall establish a separate Account within the Revenue Fund designated as the "Series 2017A-2 Revenue Account." Series 2017A-2 Special Assessments (except for Prepayments of Series 2017A-2 Special Assessments which shall be identified as such by the Issuer in writing to the Trustee and deposited in the Series 2017A-2 Prepayment Subaccount) shall be deposited by the Trustee into the Series 2017A-2 Revenue Account which shall be applied as set forth in Section 6.03 of the Master Indenture and Section 4.02 of this Third Supplemental Indenture.

(c) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish a separate Account within the Debt Service Fund designated as the "Series 2017A-2

Principal Account." Moneys shall be deposited into the Series 2017A-2 Principal Account as provided in Section 6.04 of the Master Indenture and Section 4.02 of this Third Supplemental Indenture, and applied for the purposes provided therein.

(d) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish two (2) separate Accounts within the Debt Service Fund designated as the "Series 2017A-2 Interest Account" and the "Series 2017A-2 Capitalized Interest Account." Moneys deposited into the Series 2017A-2 Interest Account and Series 2017A-2 Capitalized Interest Account pursuant to Section 6.04 of the Master Indenture and Sections 2.06 and 4.02 of this Third Supplemental Indenture, shall be applied for the purposes provided therein.

(e) [RESERVED]

(f) Pursuant to Section 6.05 of the Master Indenture, the Trustee shall establish a separate Account within the Reserve Fund designated as the "Series 2017A-2 Reserve Account." Proceeds of the Series 2017A-2 Bonds shall be deposited into the Series 2017A-2 Reserve Account in the amount set forth in Section 2.06 of this Third Supplemental Indenture, and such moneys, together with any other moneys deposited into the Series 2017A-2 Reserve Account shall be applied for the purposes provided therein and in this Section 4.01(f) of this Third Supplemental Indenture. All investment earnings on moneys in the Series 2017A-2 Reserve Account shall remain on deposit therein.

Notwithstanding any of the foregoing, amounts on deposit in the Series 2017A-2 Reserve Account shall be transferred by the Trustee, in the amounts directed in writing by the Majority Holders of the Series 2017A-2 Bonds to the Series 2017A-2 General Redemption Subaccount of the Series 2017A-2 Bond Redemption Account, if as a result of the application of Article X of the Master Indenture, the proceeds received from lands sold subject to the Series 2017A-2 Special Assessments and applied to redeem a portion of the Series 2017A-2 Bonds is less than the principal amount of Series 2017A-2 Bonds indebtedness attributable to such lands.

(g) Pursuant to Section 6.06 of the Master Indenture, the Trustee shall establish a separate Series Bond Redemption Account within the Bond Redemption Fund designated as the "Series 2017A-2 Bond Redemption Account" and within such Account, a "Series 2017A-2 General Redemption Subaccount" and a "Series 2017A-2 Prepayment Subaccount." Except as otherwise provided in this Third Supplemental Indenture regarding Prepayments, moneys to be deposited into the Series 2017A-2 Bond Redemption Account as provided in Section 6.06 of the Master Indenture, shall be deposited to the Series 2017A-2 General Redemption Subaccount of the Series 2017A-2 Bond Redemption Account.

(h) Moneys that are deposited into the Series 2017A-2 General Redemption Subaccount of the Series 2017A-2 Bond Redemption Account (including all earnings on investments held therein) shall be used to call Series 2017A-2 Bonds for the extraordinary mandatory redemption in whole, pursuant to Section 3.01(b)(ii) hereof or in part pursuant to Section 3.01(b)(iii) hereof.

(i) Moneys in the Series 2017A-2 Prepayment Subaccount of the Series 2017A-2 Bond Redemption Account (including all earnings on investments held in such Series 2017A-2 Prepayment Subaccount of the Series 2017A-2 Bond Redemption Account) shall be

accumulated therein to be used to call for redemption pursuant to Section 3.01(b)(i) hereof an amount of Series 2017A-2 Bonds equal to the amount of money transferred to the Series 2017A-2 Prepayment Subaccount of the Series 2017A-2 Bond Redemption Account for the purpose of such extraordinary mandatory redemption on the dates and at the price provided in such Section 3.01(b)(i) hereof.

(j) The Issuer hereby directs the Trustee to establish a Series 2017A-2 Rebate Fund designated as the "Series 2017A-2 Rebate Fund." Moneys shall be deposited into the Series 2017A-2 Rebate Fund, as provided in the Arbitrage Certificate and applied for the purposes provided therein.

SECTION 4.02. Series 2017A-2 Revenue Account. The Trustee shall transfer from amounts on deposit in the Series 2017A-2 Revenue Account to the Funds and Accounts designated below, the following amounts, at the following times and in the following order of priority:

FIRST, upon receipt but no later than the Business Day next preceding each May 1 commencing _____ 1, 2017, to the Series 2017A-2 Interest Account of the Debt Service Fund, an amount from the Series 2017A-2 Revenue Account equal to the interest on the Series 2017A-2 Bonds becoming due on the next succeeding May 1, less any amounts on deposit in the Series 2017A-2 Capitalized Interest Account or the Series 2017A-2 Interest Account not previously credited;

SECOND, upon receipt but no later than the Business Day next preceding each November 1 commencing _____ 1, _____, to the Series 2017A-2 Interest Account of the Debt Service Fund, an amount from the Series 2017A-2 Revenue Account equal to the interest on the Series 2017A-2 Bonds becoming due on the next succeeding November 1, less any amount on deposit in the Series 2017A-2 Capitalized Interest Account or the Series 2017A-2 Interest Account not previously credited;

THIRD, no later than the Business Day next preceding the November 1, which is a principal payment date for any Series 2017A-2 Bonds, to the Series 2017A-2 Principal Account of the Debt Service Fund, an amount from the Series 2017A-2 Revenue Account equal to the principal amount of Series 2017A-2 Bonds Outstanding maturing on such November 1, less any amounts on deposit in the Series 2017A-2 Principal Account not previously credited;

FOURTH, upon receipt but no later than the Business Day next preceding each Interest Payment Date while Series 2017A-2 Bonds remain Outstanding, to the Series 2017A-2 Reserve Account, an amount from the Series 2017A-2 Revenue Account equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Reserve Requirement for the Series 2017A-2 Bonds; and

FIFTH, notwithstanding the foregoing, at any time the Series 2017A-2 Bonds are subject to redemption on a date which is not a Quarterly Redemption Date, the Trustee shall be authorized to transfer from the Series 2017A-2 Revenue Account to the Series 2017A-2 Interest Account, the amount necessary to pay interest on the Series 2017A-2 Bonds subject to redemption on such date; and

SIXTH, subject to the foregoing paragraphs, the balance of any moneys remaining after making the foregoing deposits shall be first deposited into the Series 2017A-2 Costs of Issuance Account to cover any deficiencies in the amount allocated to pay the cost of issuing the Series 2017A-2 Bonds and next, any balance in the Series 2017A-2 Revenue Account shall remain on deposit in such Series 2017A-2 Revenue Account, unless pursuant to the Arbitrage Certificate, it is necessary to make a deposit into the Series 2017A-2 Rebate Fund , in which case, the Issuer shall direct the Trustee to make such deposit thereto.

Notwithstanding that the Issuer has funded the Series 2017A-2 Capitalized Interest Account to pay interest on the Series 2017A-2 Bonds through at least _____ 1, _____, moneys on deposit in the Series 2017A-2 Capitalized Interest Account, including all investment earnings thereon, shall remain on deposit in such Account and be used by the Trustee to pay interest on the Series 2017A-2 Bonds on any subsequent Interest Payment Date if moneys remain after _____ 1, _____. When such Account has been depleted of all funds, the Trustee shall be authorized to close such Account.

SECTION 4.03. Power to Issue Series 2017A-2 Bonds and Create Lien. The Issuer is duly authorized under the Act and all applicable laws of the State to issue the Series 2017A-2 Bonds, to execute and deliver the Indenture and to pledge the Series 2017A-2 Pledged Revenues for the benefit of the Series 2017A-2 Bonds to the extent set forth herein. The Series 2017A-2 Pledged Revenues are not and shall not be subject to any other lien senior to or on a parity with the lien created in favor of the Series 2017A-2 Bonds, except the lien created by the Series 2017A-1 Special Assessments and as otherwise permitted under the Master Indenture. The Series 2017A-2 Bonds and the provisions of the Indenture are and will be valid and legally enforceable obligations of the Issuer in accordance with their respective terms. The Issuer shall, at all times, to the extent permitted by law, defend, preserve and protect the pledge created by the Indenture and all the rights of the Owners of the Series 2017A-2 Bonds under the Indenture against all claims and demands of all persons whomsoever.

SECTION 4.04. Assessment Area Two Project to Conform to Consulting Engineers Report. Upon the issuance of the Series 2017A-2 Bonds, the Issuer will promptly proceed to construct or acquire the Assessment Area Two Project, as described in Exhibit A hereto and in the Consulting Engineer's Report relating thereto, all pursuant to the terms and provisions of the Acquisition Agreement.

SECTION 4.05. Prepayments; Removal of Series 2017A-2 Special Assessment Liens.

(a) At any time any owner of property subject to the Series 2017A-2 Special Assessments may, at its option, or as a result of acceleration of the Series 2017A-2 Special Assessments because of non-payment thereof, or by operation of law or contractually, including true-up payments, shall require the Issuer to reduce or release and extinguish the lien upon its property by virtue of the levy of the Series 2017A-2 Special Assessments by paying or causing there to be paid, to the Issuer all or a portion of the Series 2017A-2 Special Assessment, which shall constitute Series 2017A-2 Prepayment Principal, plus, except as provided below, accrued interest to the next succeeding Interest Payment Date (or the first succeeding Interest Payment

Date if such Prepayment is made within 45 calendar days before an Interest Payment Date), attributable to the property subject to Series 2017A-2 Special Assessment owned by such owner.

(b) Upon receipt of Series 2017A-2 Prepayment Principal as described in paragraph (a) above, subject to satisfaction of the conditions set forth therein, the Issuer shall immediately pay the amount so received to the Trustee, and the Issuer shall take such action as is necessary to record in the official records of the District that the Series 2017A-2 Special Assessment has been paid in whole or in part and that such Series 2017A-2 Special Assessment lien is thereby reduced, or released and extinguished, as the case may be.

[END OF ARTICLE IV]

ARTICLE V
COVENANTS AND DESIGNATIONS OF THE ISSUER

SECTION 5.01. Collection of Series 2017A-2 Special Assessments. Pursuant to the terms and provisions of the Master Indenture, the Issuer shall collect the Series 2017A-2 Special Assessments relating to the acquisition and construction of the Assessment Area Two Project through the Uniform Method of Collection (the "Uniform Method") afforded by Chapter 197, Florida Statutes. Pursuant to the terms and provisions of the Master Indenture, the Issuer shall, pursuant to the provisions of the Assessment Resolutions, directly collect the Series 2017A-2 Special Assessments levied in lieu of the Uniform Method with respect to any assessable lands which have not yet been platted or for platted lots that are owned by the Developer, unless the Trustee at the direction of the Majority Holders directs the Issuer otherwise or the timing for using the Uniform Method will not yet allow for using such method. In addition, and not in limitation of, the covenants contained elsewhere in this Third Supplemental Indenture and in the Master Indenture, the Issuer covenants to comply with the terms of the proceedings heretofore adopted with respect to the Series 2017A-2 Special Assessments, and to levy the Series 2017A-2 Special Assessments in such manner as will generate funds sufficient to pay debt service on the Series 2017A-2 Bonds when due. All Series 2017A-2 Special Assessments that are collected directly by the Issuer shall be due and payable by the landowner not later than thirty (30) days prior to each Interest Payment Date.

SECTION 5.02. Continuing Disclosure. Contemporaneously with the execution and delivery hereof, the Issuer has executed and delivered a Continuing Disclosure Agreement in order to comply with the requirements of Rule 15c2-12 promulgated under the Securities and Exchange Act of 1934. The Issuer covenants and agrees to comply with the provisions of such Continuing Disclosure Agreement applicable to it; however, as set forth therein, failure to so comply shall not constitute and Event of Default hereunder, but shall instead be enforceable by mandamus or any other means of specific performance.

SECTION 5.03. Investment of Funds and Accounts. The provisions of Section 7.02 of the Master Indenture shall apply to the investment and reinvestment of moneys in the Series 2017A-2 Accounts and subaccounts therein created hereunder and Funds relating thereto.

SECTION 5.04. Additional Obligations. The Issuer covenants not to issue any other Bonds or other debt obligation secured by Special Assessments levied against any assessable lands within Assessment Area Two, other than the Series 2017A-1 Bonds until at least _____ equivalent assessment units have been platted and the corresponding principal amount of the Series 2017A-1 Special Assessments and Series 2017A-2 Special Assessments have been assigned and recorded as assigned in the District's lien book. After such event, the Issuer may issue Bonds or other debt obligations on any assessable lands within Assessment Area Two which have not been platted. Notwithstanding the forgoing, the Issuer further covenants not to issue Bonds or debt obligations secured by Special Assessments levied against any of the platted lots unless such lots have been Substantially Absorbed. Such covenants of the Issuer will not prevent the Issuer from issuing refunding bonds or preclude the Issuer from imposing Special Assessments or other non–ad valorem assessments on any lands within Assessment Area Two in connection with capital projects that are necessary for health, safety or welfare reasons or to remediate any natural disaster. The Issuer and the Trustee may rely on a

written certificate from the District Manager regarding the status of the aforementioned platting and residential units. **[NEEDS TO BE REVISED]**

SECTION 5.05. Requisite Owners for Direction or Consent. Anything in the Master Indenture to the contrary notwithstanding, any direction or consent or similar provision which requires more than fifty percent (50%) of the Owners, shall in each case be deemed to refer to, and shall mean, the Majority Holders.

SECTION 5.06. Acknowledgement Regarding Series 2017A-2 Acquisition and Construction Account Moneys Following an Event of Default. In accordance with the provisions of the Indenture, upon the occurrence of an Event of Default with respect to the Series 2017A-2 Bonds, the Series 2017A-2 Bonds are payable solely from the Series 2017A-2 Pledged Revenues and any other moneys held by the Trustee under the Indenture for such purpose. Anything in the Indenture to the contrary notwithstanding, the Issuer hereby acknowledges that, upon the occurrence of an Event of Default with respect to the Series 2017A-2 Bonds, (i) the 2017A-2 Pledged Revenues include, without limitation, all amounts on deposit in the Series 2017A-2 Acquisition and Construction Account of the Acquisition and Construction Fund then held by the Trustee, (ii) the Series 2017A-2 Pledged Revenues may not be used by the Issuer (whether to pay costs of the Assessment Area Two Project or otherwise) without the consent of the Majority Holders, and (iii) the Series 2017A-2 Pledged Revenues may be used by the Trustee, at the direction or with the approval of the Majority Holders, to pay the reasonable costs and expenses incurred in connection with the pursuit of remedies under the Indenture. Prior to any action by the Trustee under this Section 5.06 or Section 10.05 of the Master Trust Indenture, the Majority Holders shall provide the Issuer an indemnification regarding such actions so directed. The Issuer also acknowledges and agrees that upon an Event of Default the Trustee is authorized to exercise the Issuer's right under the Collateral Assignment at the direction of the Majority Holders but without the consent or approval of the Issuer and the Issuer covenants not to enter into any contract regarding the construction and/or acquisition of the Assessment Area Two Project upon the occurrence of an Event of Default without the written direction of the Majority Holders.

SECTION 5.07. Application of Section 9.31 of Master Indenture. With respect to the Series 2017A Bonds, the covenants of Section 9.31 of the Master Indenture shall not require the Issuer to impose additional assessments, taxes, or other similar amounts, the imposition of which would require an action of the governing body of the Issuer.

[END OF ARTICLE V]

ARTICLE VI
THE TRUSTEE; THE PAYING AGENT AND REGISTRAR

SECTION 6.01. Acceptance of Trust. The Trustee accepts and agrees to execute the trusts hereby created and agrees to perform such trusts upon the terms and conditions set forth in the Indenture. The Trustee agrees to act as Paying Agent and Registrar for the Series 2017A-2 Bonds.

SECTION 6.02. Trustee's Duties. The Trustee shall not be responsible in any manner for the due execution of this Third Supplemental Indenture by the Issuer or for the recitals contained herein (except for the certificate of authentication on the Series 2017A-2 Bonds), all of which are made solely by the Issuer. Except as otherwise expressly stated in this Third Supplemental Indenture, nothing contained herein shall limit the rights, benefits, privileges, protection and entitlement inuring to the Trustee under the Master Indenture.

[END OF ARTICLE VI]

ARTICLE VII
MISCELLANEOUS PROVISIONS

SECTION 7.01. Interpretation of Third Supplemental Indenture. This Third Supplemental Indenture amends and supplements the Master Indenture with respect to the Series 2017A-2 Bonds, and all of the provisions of the Master Indenture, to the extent not inconsistent herewith, are incorporated in this Third Supplemental Indenture by reference. To the maximum extent possible, the Master Indenture and the Third Supplemental Indenture shall be read and construed as one document.

SECTION 7.02. Amendments. Any amendments to this Third Supplemental Indenture shall be made pursuant to the provisions for amendment contained in the Master Indenture.

SECTION 7.03. Counterparts. This Third Supplemental Indenture may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.

SECTION 7.04. Appendices and Exhibits. Any and all schedules, appendices or exhibits referred to in and attached to this Third Supplemental Indenture are hereby incorporated herein and made a part of this Third Supplemental Indenture for all purposes.

SECTION 7.05. Payment Dates. In any case in which an Interest Payment Date or the maturity date of the Series 2017A-2 Bonds or the date fixed for the redemption of any Series 2017A-2 Bonds shall be other than a Business Day, then payment of interest, principal or Redemption Price need not be made on such date but may be made on the next succeeding Business Day, with the same force and effect as if made on the due date, and no interest on such payment shall accrue for the period after such due date if payment is made on such next succeeding Business Day.

SECTION 7.06. No Rights Conferred on Others. Nothing herein contained shall confer any right upon any Person other than the parties hereto and the Holders of the Series 2017A-2 Bonds.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, Avalon Groves Community Development District has caused this Third Supplemental Trust Indenture to be executed by the Chairperson of its Board of Supervisors and its corporate seal to be hereunto affixed and attested by the Assistant Secretary of its Board of Supervisors and Regions Bank has caused this Third Supplemental Trust Indenture to be executed by one of its authorized signatories, all as of the day and year first above written.

AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT

[SEAL]

Attest:

By: _____
Name: _____
Title: Chairperson, Board of Supervisors

By: _____
Name: _____
Title: Assistant Secretary, Board of Supervisors

REGIONS BANK, as Trustee, Paying Agent and Registrar

By: _____
Name: Janet Ricardo
Title: Vice President and Trust Officer

STATE OF FLORIDA)
) SS:
COUNTY OF HILLSBOROUGH)

On this ____ day of _____, 2017, before me, a notary public in and for the State and County aforesaid, personally appeared _____ and _____, Chairperson and Assistant Secretary, respectively, of Avalon Groves Community Development District (the "Issuer"), who acknowledged that they did so sign the foregoing instrument as such officers, respectively, for and on behalf of said Issuer; that the same is their free act and deed as such officers, respectively, and the free act and deed of said Issuer; and that the seal affixed to said instrument is the seal of said Issuer; that they respectively appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said Issuer, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year in this certificate first above written.

NOTARY PUBLIC, STATE OF FLORIDA

_____
(Name of Notary Public, Print, Stamp or Type as Commissioned)

☐ Personally known to me, or
☐ Produced identification:

_____
(Type of Identification Produced)

STATE OF FLORIDA)
) SS:
COUNTY OF _____)

On this ____ day of _____, 2017, before me, a notary public in and for the State and County aforesaid, personally appeared Janet Ricardo, a Vice President and Trust Officer of Regions Bank, as trustee (the "Trustee"), who acknowledged that she did so sign said instrument as such officer for and on behalf of the Trustee; that the same is her free act and deed as such officer and the free act and deed of the Trustee; that she appeared before me on this day in person and acknowledged that she, being thereunto duly authorized, signed, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year in this certificate first above written.

NOTARY PUBLIC, STATE OF FLORIDA

_____
(Name of Notary Public, Print, Stamp or Type as Commissioned)

☐ Personally known to me, or
☐ Produced identification:

_____
(Type of Identification Produced)

EXHIBIT A

DESCRIPTION OF ASSESSMENT AREA TWO PROJECT

The Assessment Area Two Project includes, but is not limited to, the following improvements:

Stormwater management and control facilities, including, but not limited to, related earthwork;
Water and wastewater systems;
Onsite and offsite roadway improvements, including street lighting;
Irrigation for public property;
Landscaping in public rights-of-way including, but not limited to, entrance features; and
All related soft and incidental costs.

All as more particularly described in the Consulting Engineer's Report prepared by Heidt Design, LLC dated October 11, 2016 as amended and supplemented from time to time.

EXHIBIT B

[FORM OF SERIES 2017A-2 BOND]

R-1 **$_____**

UNITED STATES OF AMERICA
STATE OF FLORIDA
COUNTY OF LAKE
AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BOND, SERIES 2017A-2
(ASSESSMENT AREA TWO PROJECT)

Interest Rate	Maturity Date	Date of Original Issuance	CUSIP
_____%		_____, 2017	

Registered Owner:----------Cede & Co.----------

Principal Amount:--

KNOW ALL PERSONS BY THESE PRESENTS that the Avalon Groves Community Development District (the "Issuer"), for value received, hereby promises to pay to the registered owner shown above or registered assigns, on the date specified above, from the sources hereinafter mentioned, upon presentation and surrender hereof (except while the herein defined Series 2017A-2 Bonds are in book-entry only form such presentation shall only be required at final maturity or final payment of the Series 2017A-2 Bonds, at the designated corporate trust office of Regions Bank, as paying agent (said Regions Bank and any successor paying agent being herein called the "Paying Agent"), the Principal Amount set forth above (with interest thereon at the Interest Rate per annum set forth above, computed on 360-day year of twelve 30-day months), said principal payable on the Maturity Date stated above. Principal of this Bond is payable at the designated corporate trust office of Regions Bank, located in Jacksonville, Florida, in lawful money of the United States of America. Interest on this Bond is payable by check or draft of the Paying Agent made payable to the registered owner and mailed on each May 1 and November 1, commencing _____ 1, 2017 to the address of the registered owner as such name and address shall appear on the registry books of the Issuer maintained by Regions Bank, as Registrar (said Regions Bank and any successor registrar being herein called the "Registrar") at the close of business on the fifteenth day of the calendar month preceding each interest payment date or the date on which the principal of a Bond is to be paid (the "Record Date"). Such interest shall be payable from the most recent interest payment date next preceding the date of authentication hereof to which interest has been paid, unless the date of authentication hereof is a May 1 or November 1 to which interest has been paid, in which case from the date of authentication hereof, or unless such date of authentication is prior to _____ 1, 2017, in which case from the date of initial delivery, or unless the date of authentication hereof is between a Record Date and the next succeeding interest payment date, in which case from such interest payment date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such Record Date and may be paid to the person in whose name this Bond is registered at the close of business on a Special Record Date for the

payment of such defaulted interest to be fixed by Regions Bank, as trustee (said Regions Bank and any successor trustee being herein called the "Trustee"), notice whereof shall be given to Bondholders of record as of the fifth (5th) day prior to such mailing, at their registered addresses, not less than ten (10) days prior to such Special Record Date, or may be paid, at any time in any other lawful manner, as more fully provided in the Indenture (defined below). Any capitalized term used in this Bond and not otherwise defined shall have the meaning ascribed to such term in the Indenture.

THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY OUT OF THE SERIES 2017A-2 PLEDGED REVENUES PLEDGED THEREFOR UNDER THE INDENTURE AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE ISSUER, LAKE COUNTY, FLORIDA (THE "COUNTY"), THE STATE OF FLORIDA (THE "STATE"), OR ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE BONDS, EXCEPT THAT THE ISSUER IS OBLIGATED UNDER THE INDENTURE TO LEVY AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, SERIES 2017A-2 SPECIAL ASSESSMENTS (AS DEFINED IN THE INDENTURE) TO SECURE AND PAY THE BONDS. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER, THE COUNTY, THE STATE, OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Indenture until it shall have been authenticated by execution of the Trustee of the certificate of authentication endorsed hereon.

This Bond is one of an authorized issue of Bonds of the Avalon Groves Community Development District, a community development district duly created, organized and existing under Chapter 190, Florida Statutes (the Uniform Community Development District Act of 1980), as amended (the "Act") and Ordinance No. 16-16 of the Board of County Commissioners of Lake County, Florida enacted on April 19, 2016 and becoming effective on April 27, 2016, designated as "Avalon Groves Community Development District Special Assessment Bonds, Series 2017A-2 (Assessment Area Two Project)" (the "Bonds"), in the aggregate principal amount of _____ MILLION _____ AND 00/100 DOLLARS ($_____) of like date, tenor and effect, except as to number, denomination, interest rate and maturity date. The Series 2017A-2 Bonds are being issued under authority of the laws and Constitution of the State of Florida, including particularly the Act, to pay the costs of constructing and/or acquiring a portion of the Assessment Area Two Project (as defined in the herein referred to Indenture). The Series 2017A-2 Bonds shall be issued as fully registered bonds in authorized denominations, as set forth in the Indenture. The Bonds are issued under and secured by a Master Trust Indenture dated as of _____ 1, 2017 (the "Master Indenture"), as amended and supplemented by a Third Supplemental Trust Indenture dated as of _____ 1, 2017 (the "Third Supplemental Indenture" and together with the Master Indenture, the "Indenture"), each by and between the Issuer and the Trustee, executed counterparts of which are on file at the designated corporate trust office of the Trustee in Jacksonville, Florida.

Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of the Series 2017A-2 Bonds issued under the Indenture, the operation and application of the Debt Service Fund, the Series 2017A-2 Reserve Account within the Debt Service Reserve Fund and other Funds and Accounts (each as defined in the Indenture) charged with and pledged to the payment of the principal of and the interest on the Series 2017A-2 Bonds, the levy and the evidencing and certifying for collection, of the Series 2017A-2 Special Assessments, the nature and extent of the security for the Bonds, the terms and conditions on which the Series 2017A-2 Bonds are issued, the rights, duties and obligations of the Issuer and of the Trustee under the Indenture, the conditions under which such Indenture may be amended without the consent of the registered owners of the Series 2017A-2 Bonds, the conditions under which such Indenture may be amended with the consent of the Majority Holders of the Series 2017A-2 Bonds outstanding, and as to other rights and remedies of the registered owners of the Series 2017A-2 Bonds.

The owner of this 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.

It is expressly agreed by the owner of this Bond that such owner shall never have the right to require or compel the exercise of the ad valorem taxing power of the Issuer, the County, the State or any other political subdivision thereof, or taxation in any form of any real or personal property of the Issuer, the County, the State or any other political subdivision thereof, for the payment of the principal of and interest on this Bond or the making of any other sinking fund and other payments provided for in the Indenture, except for Series 2017A-2 Special Assessments to be assessed and levied by the Issuer as set forth in the Indenture.

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

This Bond is payable from and secured by Series 2017A-2 Pledged Revenues, as such term is defined in the Indenture, all in the manner provided in the Indenture. The Indenture provides for the levy and the evidencing and certifying, of non-ad valorem assessments in the form of Series 2017A-2 Special Assessments to secure and pay the Bonds.

The Series 2017A-2 Bonds are subject to redemption prior to maturity in the amounts, at the times and in the manner provided below. All payments of the redemption price of the Series 2017A-2 Bonds shall be made on the dates specified below. Upon any redemption of Series 2017A-2 Bonds other than in accordance with scheduled mandatory sinking fund redemption, the Issuer shall cause to be recalculated and delivered to the Trustee revised mandatory sinking fund redemption amounts recalculated so as to amortize the Outstanding principal amount of Series 2017A-2 Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Series 2017A-2 Bonds. The mandatory sinking fund redemption amounts as so recalculated shall not result in an increase in the aggregate of the mandatory sinking fund redemption amounts for all Series 2017A-2 Bonds in any year. In the event of a redemption or purchase occurring less than 45 days prior to a date on which a mandatory sinking fund redemption payment is due, the

foregoing recalculation shall not be made to the mandatory sinking fund redemption amounts due in the year in which such redemption or purchase occurs, but shall be made to the mandatory sinking fund redemption amounts for the immediately succeeding and subsequent years.

Optional Redemption

The Series 2017A-2 Bonds are not subject to optional redemption.

Extraordinary Mandatory Redemption in Whole or in Part

The Bonds are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole or in part on any date (other than in the case of clause (i) below which extraordinary mandatory redemption in part must occur on a Quarterly Redemption Date), at an extraordinary mandatory redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus interest accrued to the redemption date.

(i) from Series 2017A-2 Prepayment Principal deposited into the Series 2017A-2 Prepayment Subaccount of the Series 2017A-2 Bond Redemption Account following the payment in whole or in part of Series 2017A-2 Special Assessments on any assessable lands within Assessment Area Two of the District in accordance with the provisions of Section 4.05(a) of the Third Supplemental Indenture.

(ii) from moneys, if any, on deposit in the Series 2017A-2 Funds, Accounts and Subaccounts in the Funds and Accounts (other than the Series 2017A-2 Rebate Fund and the Series 2017A-2 Acquisition and Construction Account) sufficient to pay and redeem all Outstanding Series 2017A-2 Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the Indenture.

(iii) upon the Completion Date, from any funds remaining on deposit in the Series 2017A-2 Acquisition and Construction Account not otherwise reserved to complete the Assessment Area Two Project and which have been transferred to the Series 2017A-2 General Redemption Subaccount of the Series 2017A-2 Bond Redemption Account.

Except as otherwise provided in the Indenture, if less than all of the Series 2017A-2 Bonds subject to redemption shall be called for redemption, the particular such Bonds or portions of such Series 2017A-2 Bonds to be redeemed shall be selected by lot by the Trustee, as provided in the A-2 Indenture.

Notice of each redemption of the Series 2017A-2Bonds is required to be mailed by the Trustee by first class mail, postage prepaid, not less than thirty (30) nor more than forty-five (45) days prior to the redemption date to each Registered Owner of the Series 2017A-2 Bonds to be redeemed at the address of such Registered Owner recorded on the bond register maintained by the Registrar. On the date designated for redemption, notice having been given and money for the payment of the Redemption Price being held by the Trustee or the Paying Agent, all as provided in the Indenture, the Series 2017A-2 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 2017A-2 Bonds or such portions thereof on such date, interest on such Bonds or such portions thereof so called for redemption shall cease to accrue, such Series

2017A-2 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 2017A-2 Bonds or such portions thereof so called for redemption except to receive payments of the Redemption Price thereof so held by the Trustee or the Paying Agent. Further notice of redemption shall be given by the Trustee to certain registered securities depositories and information services as set forth in the Indenture, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed. Notwithstanding the foregoing, the Trustee is authorized to give conditional notice of redemption as provided in the Master Indenture.

The Owner of this 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 2017A-2 Bond which remain unclaimed for three (3) years after the date when such Bond has become due and payable, either at its stated maturity date or by call for earlier redemption shall be paid to the Issuer, thereupon and thereafter no claimant shall have any rights against the Trustee or Paying Agent to or in respect of such moneys.

If the Issuer deposits or causes to be deposited with the Trustee funds or Defeasance Securities (as defined in the Master Indenture) sufficient to pay the principal or Redemption Price of any the 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 Bonds as to the trust estate with respect to the Bonds shall be discharged, except for the rights of the Owners thereof with respect to the funds so deposited as provided in the Indenture.

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

The Issuer shall keep books for the registration of the Series 2017A-2 Bonds at the designated corporate trust office of the Registrar in Jacksonville, Florida. Subject to the restrictions contained in the Indenture, the Series 2017A-2 Bonds may be transferred or exchanged by the registered owner thereof in person or by his attorney duly authorized in writing only upon the books of the Issuer kept by the Registrar and only upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney. In all cases in which the privilege of transferring or exchanging Series 2017A-2 Bonds is exercised, the Issuer shall execute and the Trustee shall authenticate and deliver a new Series 2017A-2 Bond or Series 2017A-2 Bonds in authorized form and in like aggregate principal amount in accordance with the provisions of the Indenture. Every Series 2017A-2 Bond presented or surrendered for transfer or exchange shall be duly

endorsed or accompanied by a written instrument of transfer in form satisfactory to the Trustee, Paying Agent or the Registrar, duly executed by the Bondholder or his attorney duly authorized in writing. Transfers and exchanges shall be made without charge to the Bondholder, except that the Issuer or the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Series 2017A-2 Bonds.

The Issuer, the Trustee, the Paying Agent and the Registrar shall deem and treat the person in whose name any Series 2017A-2 Bond shall be registered upon the books kept by the Registrar as the absolute owner thereof (whether or not such Series 2017A-2 Bond shall be overdue) for the purpose of receiving payment of or on account of the principal of and interest on such Series 2017A-2 Bond as the same becomes due, and for all other purposes. All such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Series 2017A-2 Bond to the extent of the sum or sums so paid, and neither the Issuer, the Trustee, the Paying Agent, nor the Registrar shall be affected by any notice to the contrary.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen, and to be performed, precedent to and in connection with the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the laws and Constitution of the State of Florida applicable thereto, including particularly the Act, and that the issuance of this Bond, and of the issue of the Series 2017A-2 Bonds of which this Bond is one, is in full compliance with all constitutional and statutory limitations or provisions.

IN WITNESS WHEREOF, Avalon Groves Community Development District has caused this Bond to be signed by the facsimile signature of the Chairperson of its Board of Supervisors and a facsimile of its seal to be imprinted hereon, and attested by the facsimile signature of the Assistant Secretary of its Board of Supervisors, all as of the date hereof.

AVALON GROVES COMMUNITY
DEVELOPMENT DISTRICT

By: _____
Chairperson, Board of Supervisors

(SEAL)
Attest:

By:_____
Assistant Secretary, Board of Supervisors

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Series 2017A-2 Bonds delivered pursuant to the within mentioned Indenture.

Date of Authentication: _____

REGIONS BANK, as Trustee

By:_____
Vice President and Trust Officer

[STATEMENT OF VALIDATION]

This Bond is one of a series of Bonds which were validated by judgment of the Circuit Court of the Fifth Judicial Circuit of Florida, in and for Lake County, Florida, rendered on the 22nd day of June, 2016.

AVALON GROVES COMMUNITY
DEVELOPMENT DISTRICT

By: _____
Chairperson, Board of Supervisors

(SEAL)

Attest:

By:_____
Assistant Secretary, Board of Supervisors

ABBREVIATIONS

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

TEN COM	-	as tenants in common
TEN ENT	-	as tenants by the entireties
JT TEN	-	as joint tenants with rights of survivorship and not as tenants in common

UNIFORM TRANSFER MIN ACT - _____ Custodian _____
(Cust) (Minor)

Under Uniform Transfer to Minors Act_____
(State)

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

ASSIGNMENT AND TRANSFER

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

_____

(please print or typewrite name and address of assignee)

_____

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

_____

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

Signature Guarantee:

_____

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

_____

Please insert social security or other identifying number of Assignee.

_____

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

EXHIBIT C

FORMS OF REQUISITIONS

AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BONDS, SERIES 2017A-2
(ASSESSMENT AREA TWO PROJECT)

(Acquisition and Construction)

The undersigned, a Responsible Officer of the Avalon Groves Community Development District (the "District") hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture between the District and Regions Bank, as trustee (the "Trustee"), dated as of _____ 1, 2017, as supplemented by that certain Third Supplemental Trust Indenture dated as of _____ 1, 2017 (collectively, the "Indenture") (all capitalized terms used herein shall have the meaning ascribed to such term in the Indenture):

(A) Requisition Number:

(B) Identify Acquisition Agreement, if applicable;

(C) Name of Payee pursuant to Acquisition Agreement:

(D) Amount Payable per this Requisition:

(E) Amount Payable per Requisition No. _____ relating to the Series 2017A-1 Acquisition and Construction Account:

(F) Purpose for which paid or incurred (refer also to specific contract if amount is due and payable pursuant to a contract involving progress payments):

(G) Fund or Account and subaccount, if any, from which disbursement to be made:

Series 2017A-2 Acquisition and Construction Account of the Acquisition and Construction Fund.

(H) Pro-Rata ratio:

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 Series 2017A-2 Acquisition and Construction Account;

3. each disbursement set forth above was incurred in connection with the Cost of the Assessment Area Two Project; and

4. Each disbursement represents a cost of the Assessment Area Two Project which has not previously been paid.

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.

Originals of the invoice(s) from the vendor of the property acquired or the services rendered with respect to which disbursement is hereby requested are on file with the District.

.

AVALON GROVES COMMUNITY
DEVELOPMENT DISTRICT

By: _____
Responsible Officer

Date:_____

AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BONDS, SERIES 2017A-2
(ASSESSMENT AREA TWO PROJECT)

(Costs of Issuance)

The undersigned, a Responsible Officer of the Avalon Groves Community Development District (the "District") hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture between the District and Regions Bank, as trustee (the "Trustee"), dated as of _____ 1, 2017, as supplemented by that certain Third Supplemental Trust Indenture dated as of _____ 1, 2017 (collectively, the "Indenture") (all capitalized terms used herein shall have the meaning ascribed to such term in the Indenture):

(A) Requisition Number:

(B) Amount Payable:

(C) Purpose for which paid or incurred: Costs of Issuance

(D) Fund or Account and subaccount, if any, from which disbursement to be made:

Series 2017A-2 Costs of Issuance Account of the Acquisition and Construction Fund

The undersigned hereby certifies that:

1. this requisition is for Costs of Issuance payable from the Series 2017A-2 Costs of Issuance Account that have not previously been paid;
2. each disbursement set forth above is a proper charge against the Series 2017A-2 Costs of Issuance Account;
3. each disbursement set forth above was incurred in connection with the issuance of the Series 2017A-2 Bonds; and
4. each disbursement represents a cost of issuance which has not previously been paid.

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.

Attached hereto are originals of the invoice(s) from the vendor of the services rendered with respect to which disbursement is hereby requested.

AVALON GROVES COMMUNITY
DEVELOPMENT DISTRICT

By: _____
Responsible Officer

Date: _____

EXHIBIT D

FORM OF INVESTOR LETTER

[Date]

Avalon Groves Community Development District
c/o DPFG, Inc.
15310 Amberly Drive, Suite 175
Tampa, Florida 33647
Attention: Maik Aagaard

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

Re: $_____ Avalon Groves Community Development District Special Assessment Bonds, Series 2017A-2 (Assessment Area Two Project)

Ladies and Gentlemen:

The undersigned is authorized to sign this letter [on behalf of Name of Non-Individual Investor], as the beneficial owner (the "Investor") of $_____ of the above-referenced Bonds [state maturing on November 1, _____, bearing interest at the rate of ___% per annum and CUSIP #] (herein, the "Investor Bonds").

The undersigned acknowledges that the Bonds were issued for the purpose of providing a portion of the funds necessary to finance the acquisition and construction of certain public infrastructure described in the herein defined Offering Document (the "Issuer"). The undersigned further acknowledges that the Bonds, which include the Investor Bonds, are secured under that certain Master Trust Indenture, dated as of _____ 1, 2017 (the "Master Indenture") and a Third Supplemental Trust Indenture dated as of _____ 1, 2017 ("Third Supplement" and, collectively with the Master Indenture, the "Indenture"), between the Issuer and Regions Bank, as trustee (the "Trustee"), which creates a security interest in the trust estate described therein (the "Security") for the benefit of the Owners of the Bonds. In connection with the purchase of the Investor Bonds by the Investor, the Investor hereby makes the following representations upon which you may rely:

1. The Investor has authority to purchase the Investor Bonds and to execute this letter, any other instruments and documents required to be executed by the Investor in connection with the purchase of the Investor Bonds.

2. The Investor meets the criteria of an "accredited investor" as described in one or more of the categories derived from Rule 501(a) under Regulation D of the Securities Act of 1933, as amended (the "Securities Act") summarized below, and therefore, has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations including those which are not rated or credit-enhanced, to be able to evaluate the risks and merits of the investment represented by the Bonds. Please check the appropriate box below to indicate the type of accredited investor:

❑ a bank, insurance company, registered investment company, business development company, or small business investment company;

❑ an employee benefit plan, within the meaning of the Employee Retirement Income Security Act, if a bank, insurance company, or registered investment adviser makes the investment decisions, or if the plan has total assets in excess of $5 million;

❑ a charitable organization, corporation, or partnership with assets exceeding $5 million;

❑ a business in which all the equity owners are "accredited investors";

❑ a natural person who has individual net worth, or joint net worth with the person's spouse, that exceeds $1 million at the time of the purchase, excluding the value of the primary residence of such person, except that mortgage indebtedness on the primary residence shall not be included as a liability;

❑ a natural person with income exceeding $200,000 in each of the two most recent years or joint income with a spouse exceeding $300,000 for those years and a reasonable expectation of the same income level in the current year; or

❑ a trust with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring the Investor Bonds whose purchase is directed by a sophisticated person.

3. The Investor has been supplied with an (electronic) copy of the Preliminary Limited Offering Memorandum dated _____, 2017 of the Issuer and relating to the Bonds (the "Offering Document") and has reviewed the Offering Document and represents that such Offering Document has provided full and meaningful disclosure in order to make an informed decision to invest in the Investor Bonds.

Capitalized terms used herein and not otherwise defined have the meanings given to such terms in the Indenture.

Very truly yours,

[Name], [Type of Entity]

By: _____
Name: _____
Title: _____
Date: _____

Or

_____
[Name], an Individual

EXHIBIT E

MAP OF ASSESSMENT AREA TWO

WPB 383871419v5/166843.010100