



DEVELOPMENT PLANNING & FINANCING GROUP, INC.

**AVALON GROVES
COMMUNITY
DEVELOPMENT DISTRICT**

Agenda Package

***Board of Supervisors
Meeting***

**Date & Time:
Thursday
October 27, 2016
11:30 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

October 20, 2016

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 October 27, 2016 at 11:30 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: **Thursday October 27, 2016**
Time: 11:30 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 August 25, 2016 Meeting Exhibit 1

IV. Business Items

- A. Consideration of Items Related to Bond Financing.
1. Presentation of Preliminary Engineer's Report.
(Under Separate Cover)
 2. Presentation of Preliminary Assessment Methodology Report. Exhibit 2
- B. Consideration of Resolution 2017- 01 Declaring Special Assessments for Assessment Area 1 Exhibit 3
- C. Consideration of Resolution 2017- 02 Setting A Public Hearing Regarding the Imposition of Special Assessments for Assessment Area 1 Exhibit 4
- D. Consideration of Resolution 2017- 03 Declaring Special Assessments for Assessment Area 2. Exhibit 5
- E. Consideration of Resolution 2017- 04 Setting A Public Hearing Regarding the Imposition of Special Assessments for Assessment Area 2. Exhibit 6
- F. Consideration of Resolution 2017- 05 Declaring Special Assessments for Assessment Area 3. Exhibit 7
- G. Consideration of Resolution 2017- 06 Setting A Public Hearing Regarding the Imposition of Special Assessments for Assessment Area 3. Exhibit 8

- H. Consideration of Proposals for Land Appraiser Exhibit 9
 - Meridian Appraisal Group (\$5,500)
 - Valbridge Property Advisors (Not to exceed \$9,500)
 - Pine & Carpenter Real Estate Appraisers (\$4,300)
- I. Consideration and Approval of Resolution 2017- 07 Prompt Payment Policy Exhibit 10

VI. Staff Reports

- A. Manager
- B. Attorney
- C. Engineer

VII. Supervisors Requests**VIII. Adjournment**

EXHIBIT 1

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**MINUTES OF MEETING
AVALON GROVES
COMMUNITY DEVELOPMENT DISTRICT**

6 The Regular Meeting of the Board of Supervisors of the Avalon Groves Community
7 Development District was held on Thursday, August 25, 2016 at 11:30 a.m. at Cagan Crossing
8 Community Library, 16729 Cagan Oaks, Clermont, Florida

9
10 **FIRST ORDER OF BUSINESS - Roll Call**

11 Mr. Aagaard called the meeting to order.

12 Present and constituting a quorum were:

13 Jim Harvey	Board Supervisor, Chairman
14 Greg Meath	Board Supervisor, Vice Chairman
15 David Langhout	Board Supervisor, Assistant Secretary
16 Brad Walker	Board Supervisor, Assistant Secretary

17 Also present were:

18 Maik Aagaard	Managing Principal-DPFG
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20 **SECOND ORDER OF BUSINESS – Audience Comments**

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22 There being none, the next item followed.

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24 **THIRD ORDER OF BUSINESS – Consent Agenda**

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26 **A. Approval of Minutes of April 28, 2016 Meeting Minutes**

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28 Mr. Aagaard presented the Minutes of the April 28, 2016 Meeting Minutes and asked for
29 comments, questions or corrections.

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On a MOTION by Mr. Harvey, SECONDED by Mr. Langhout, WITH ALL IN FAVOR, the Board approved the Minutes of the Meeting held on April 28, 2016 for the Avalon Groves Community Development District.
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34 **FOURTH ORDER OF BUSINESS – Business Matters**

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36 **A. Consideration and Adoption of Resolution 2016-22 Canvassing and Certifying the**
37 **Landowners Election**

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39 Mr. Aagaard presented Resolution 2016-22 Canvassing and Certifying the Landowners Election.
40
41 He stated that Mr. Harvey received 1,968 votes, Mr. Meath received 1,968 votes, Mr. Langhout received
42
43 1, 967 votes, Mr. Simpson received 1,967 votes and Mr. Walker received 1,967 votes. Mr. Harvey and
44
45 Mr. Meath will be serving a 4 year term, and Mr. Langhout, Mr. Simpson and Mr. Walker will be serving

a 2 year term.

On a MOTION by Mr. Harvey, SECONDED by Mr. Langhout, WITH ALL IN FAVOR, the Board adopted Resolution **2016-22** Canvassing and Certifying the Landowners Election for the Avalon Groves Community Development District.

B. Consideration and Adoption of Resolution 2016-23 Officers

Mr. Aagaard presented Resolution 2016-23 Officers and requested a nomination for Chairman.

On a MOTION by Mr. Meath, SECONDED by Mr. Langhout, WITH ALL IN FAVOR, the Board nominated Mr. Harvey as Chairman of the Board of Supervisors for the Avalon Groves Community Development District.

Mr. Aagaard requested a motion to nominate a Vice Chairman.

On a MOTION by Mr. Langhout, SECONDED by Mr. Harvey, WITH ALL IN FAVOR, the Board nominated Mr. Meath as Vice Chairman for the Avalon Groves Community Development District.

On a MOTION by Mr. Harvey, SECONDED by Mr. Langhout, WITH ALL IN FAVOR, the Board adopted Resolution **2016-23** Officers with Mr. Harvey as Chairman, Mr. Meath as Vice Chairman, Mr. Simpson, Mr. Langhout, and Mr. Walker as Assistant Secretaries, Ms. Comings-Thibault as Secretary/Treasurer, Mr. Aagaard as Assistant Treasurer, and Carolyn Stewart and Janet Johns as Assistant Secretaries for the Avalon Groves Community Development District.

C. Consideration of Resolution 2016-28 Designating Dates, Time and Location for Regular Meetings of the Board of Supervisors of the District

Mr. Aagaard presented Resolution 2016-28 Designating Dates, Time and Location for Regular Meetings of the Board of Supervisors of the District and asked for comments or questions.

The Board requested that the November 24, 2016 meeting be moved to November 22, 2016.

On a MOTION by Mr. Harvey, SECONDED by Mr. Langhout, WITH ALL IN FAVOR, the Board adopted Resolution **2016-28** Designating Dates, Time and Location for Regular Meetings of the Board of Supervisor of the District, as amended, for the Avalon Groves Community Development District.

FIFTH ORDER OF BUSINESS – FY 2015/2016 Budget Public Hearing

A. Open Public Hearing

Mr. Aagaard requested a motion to open the Public Hearing.

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

B. Presentation of the FY 2015/2016 Budget

Mr. Aagaard presented the FY 2015/2016 Budget and he also mentioned that the developer had been notified of assessments/budgets.

C. Public Comment

There being none, next item followed.

D. Close Public Hearing

Mr. Aagaard requested a motion to close the Public Hearing.

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

E. Consideration of Resolution 2016-24 Annual Appropriation Resolution Adopting the Fiscal Year 2015/2016 Budget

Mr. Aagaard presented Resolution 2016-24 Annual Appropriation Resolution Adopting the Fiscal Year 2015/2016 Budget.

On a MOTION by Mr. Harvey, SECONDED by Mr. Langhout, WITH ALL IN FAVOR, the Board adopted Resolution **2016-24** Annual Appropriation Resolution Adopting the Fiscal Year 2015/2016 Budget for the Avalon Groves Community Development District.

SIXTH ORDER OF BUSINESS – FY 2016/2017 Budget Public Hearing

A. Open Public Hearing

Mr. Aagaard requested a motion to open the Public Hearing.

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

B. Presentation of the FY 2016/2017 Budget

Mr. Aagaard presented the FY 2016/2017 Budget and he also mentioned that the Developer had been notified of assessments/budgets.

C. Public Comment

There being none, next item followed.

D. Close Public Hearing

Mr. Aagaard requested a motion to close the Public Hearing.

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

E. Consideration of Resolution 2016-25 Annual Appropriation Resolution Adopting the Fiscal Year 2016/2017 Budget

Mr. Aagaard presented Resolution 2016-25 Annual Appropriation Resolution Adopting the Fiscal Year 2016/2017 Budget and asked for comments or questions.

On a MOTION by Mr. Harvey, SECONDED by Mr. Langhout, WITH ALL IN FAVOR, the Board adopted Resolution **2016-25** Annual Appropriation Resolution Adopting the Fiscal Year 2016/2017 Budget for the Avalon Groves Community Development District.

F. Consideration of the Fiscal Year 2016/2017 Budget Funding Agreement

Mr. Aagaard presented Fiscal Year 2016/2017 Budget Funding Agreement and asked for comments or questions. He also mentioned that the developer had been notified that there is a budget.

Mr. Harvey stated that the agreement would ultimately be transferred to VK Avalon Groves LLC.

On a MOTION by Mr. Harvey, SECONDED by Mr. Langhout, WITH ALL IN FAVOR, the Board approved the Fiscal Year 2016/2017 Budget Funding Agreement, in substantial form, and authorizing the Chairman to sign at a later date, for the Avalon Groves Community Development District.

SEVENTH ORDER OF BUSINESS - Public Hearing on the District's Intent to use the Uniform Method of Collection for Collecting Assessments as Imposed by the District.

A. Open Public Hearing

Mr. Aagaard requested a motion to open the Public Hearing.

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

B. Review and Discussion Regarding the Uniform Method of Collection

Mr. Aagaard presented the Uniform Method of Collection and asked for comments or questions.

C. Public Comment

There being none, next item followed.

D. Close Public Hearing

Mr. Aagaard requested a motion to close the Public Hearing.

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

E. Consideration of Resolution 2016-26 Adopting the Uniform Method of Collecting Assessments as Imposed by the District

Mr. Aagaard presented Resolution 2016-26 Adopting the Uniform Method of Collecting Assessments as Imposed by the District and asked for comments or questions.

On a MOTION by Mr. Harvey, SECONDED by Mr. Langhout, WITH ALL IN FAVOR, the Board adopted Resolution **2016-26** Adopting the Uniform Method of Collecting Assessments as Imposed by the District for the Avalon Groves Community Development District.

EIGHTH ORDER OF BUSINESS – Public Hearing on Rules of Procedure

A. Open Public Hearing

Mr. Aagaard requested a motion to open the Public Hearing.

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

B. Presentation of the Rules of Procedure

Mr. Aagaard presented the Rules of Procedure and asked for comments or questions.

C. Public Comment

There being none, next item followed.

D. Close Public Hearing

Mr. Aagaard requested a motion to close the Public Hearing.

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

E. Consideration of Resolution 2016-27 Adopting the Rules of Procedure

Mr. Aagaard presented Resolution 2016-27 Adopting the Rules of Procedure and asked for comments or questions.

On a MOTION by Mr. Harvey, SECONDED by Mr. Langhout, WITH ALL IN FAVOR, the Board adopted Resolution **2016-27** Adopting the Rules of Procedure for the Avalon Groves Community Development District.

NINTH ORDER OF BUSINESS – Staff Reports

A. Manager

There being none, next item followed.

B. Attorney

There being none, next item followed.

C. Engineer

There being none, next item followed.

TENTH ORDER OF BUSINESS – Supervisor Request

Mr. Aagaard asked if a meeting was needed in September to do the bond assessments.

Discussion ensued. It was decided to hold the meeting on September 29, 2016 at 11:30 a.m. at the Cagan Crossing Library.

ELEVENTH ORDER OF BUSINESS – Adjournment

On a MOTION by Mr. Harvey, SECONDED by Mr. Langhout, 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

Printed Name

Title: ☐ Secretary ☐ Assistant Secretary

Signature

Printed Name

Title: ☐ Chairman ☐ Vice Chairman

EXHIBIT 2

**AVALON GROVES
COMMUNITY DEVELOPMENT DISTRICT**

MASTER ASSESSMENT METHODOLOGY REPORT

October 27, 2016

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The District

The Avalon Groves Community Development District (the “CDD” or “District”) is a local unit of special-purpose government established pursuant to, and existing in accordance with, Chapter 190, Florida Statutes (the “Act”). The District was created for the purpose of delivering certain community development services and facilities within its jurisdiction, including the design, acquisition and/or construction of certain public infrastructure improvements consisting of, but not limited to, roadways, irrigation systems, storm water management, park and recreational facilities/community amenities, landscaping improvements, signage and lighting, dry utilities, and professional services and fees, together with the acquisition of real property necessary for development pursuant to the Act.

Purpose of this Report

To advance the development of the properties within the CDD, certain capital improvements, as described in the Engineer’s Report, dated _____ (the “Project”), have been planned. To finance the construction of the Project, the District plans to issue bonds and levy special assessments to repay the bonds, including interest. This report provides an assessment methodology for analyzing the benefits derived from the Project and determining the fair and equitable allocation of such benefits through the levy of special assessments on property within the District to fund all or portions of the Project. It is designed to conform to the requirements of Chapters 170, 190 and 197, Florida Statutes, with respect to special assessments.

Benefits and Assessment Allocation

The development is currently planned for multiple phases to ultimately provide infrastructure for 1,352 residential units of single family detached homes, townhomes, and active adult units. A portion of the Project consists of both onsite subdivision improvements and districtwide master improvements. The Project will be financed with proceeds of multiple bond series and funds from the Developer, which will provide sufficient funds to complete the infrastructure improvements to fully completed units in the various phases.

The construction of the public infrastructure improvements will advance development of the properties within the District and will thereby create special benefits for those properties. The properties receiving benefit include all of the developable land within the District. The methodology herein allocates debt and special assessments to properties based upon the benefits derived from the Project. Special assessments will be levied on all benefitted and assessable property within the District. The total benefits will be the completed public infrastructure with estimated costs in the amount of approximately \$46.6 million.

The District has validated bonds based on estimated public infrastructure construction costs of approximately \$48.07 million assuming development of the entire District. It is expected that the District will issue multiple series of bonds secured by special assessments as development advances within the District. Further, to accommodate and align the bond financing with infrastructure development, the District will be divided into three separate and distinct assessment areas, which will include all of the assessable land within the District.

This report utilizes Equivalent Residential Units (“ERU”) as a proxy value for benefit and allocating Special Assessments. Each constructed unit on a fifty-foot wide single family lot will be assigned an ERU value and ranking equal 1.0. This ranking is the basis upon which the benefits to other lot sizes are measured. The advantage to a ERU structured methodology includes the ability to assign identical benefits to similarly used properties (e.g., all fifty-foot wide lots are assigned 1.0 ERU irrespective of home size or phase) or assign different ERUs to reflect different lot sizes and land uses (e.g., residential versus non-residential land uses).

Assessment Areas

As described above, it is expected that the District will issue multiple series of bonds secured by special assessments as development advances within the District. Further, to accommodate, and align the bond financing with infrastructure development, the District will be divided into three separate and distinct assessment areas with associated future improvements, namely “Assessment Area One”, “Assessment Area Two”, and “Assessment Area Three” and collectively the (“Assessment Areas”).

Master Improvements and Subdivision Improvements

The Project contains improvements that benefit all assessable units within the District (the “Master Improvements”) and improvements that provide special benefit specifically to the planned units in each development phase or Assessment Area, but not the entire community (the “Subdivision Improvements”). Refer to the Engineer’s Report for details.

Project Bond Financing Program

As noted above, the District will acquire or construct all, or a portion, of the Project utilizing bonds issued in multiple series as development progresses in each of the respective Assessment Areas. The developable properties within the District’s Assessment Areas will constitute the properties on which the Special Assessments are levied to repay the bonds. For all three Assessment Areas, these properties include those which will be developed into the planned total of 1,352 residential units. The District plans to issue bonds to finance certain Master and/or Subdivision Improvements as development progresses in each respective Assessment Area. The District will deliver a supplemental assessment methodology report

associated with each bond series issuance describing the phase of the development and improvements to be funded.

For purposes of this report, the bond principal amount and associated maximum annual debt service (MADS) assessments have been sized based on funding all of the Master and Subdivision Improvement costs described in the Engineer's Report and adjusted for allowable bond financing costs including capitalized interest, reserves and costs of issuance. These bond principal amounts represent a maximum bonding amount. The bonds are expected to be repaid from special assessments levied on only those units planned within each respective phase or Assessment Area. The following table summarizes the estimated maximum allocation of debt for the proposed overall bond financing program:

Table 1 - Total District Debt

Assessment Area	Total Debt
One	\$23,115,000
Two	\$25,345,000
Three	\$21,540,000
Total	\$70,000,000

Each fiscal year, the CDD will certify for collection the Special Assessments in connection with the MADS, or Debt Service Requirement (as defined herein), for each bond series. The following table summarizes the estimated MADS requirement¹ for each phase of development:

Table 2 - Maximum Annual Debt Service

Assessment Area	Total Maximum Annual Debt Service
One	\$1,900,064
Two	\$2,083,371
Three	\$1,770,598
Total	\$5,754,033

Prior to recordation of a subdivision plat map in each respective Assessment Area, the special assessments and debt will be allocated to each property, as described by FOLIO or legal description, based on acreage. Upon recordation of a subdivision plat map in each respective Assessment Area, the lot sizes are determinable, and the Special Assessments will then be

¹ Excluding County collection charges and early payment discount.

levied on the individual lots based on the ERU assigned to each lot within each respective Assessment Area. Refer to the Appendix for an estimated sources and uses of bonds.

Allocation of Benefits and Assessments

Assessment Standard

Under Florida law, a valid special assessment that is made pursuant to District legislative authority requires that the property assessed must (1) derive a direct and special benefit from the improvement or service provided and (2) that the assessment must be fairly and reasonably apportioned among properties that receive the special benefits.

Section 170.02, Florida Statutes, states “Special assessments against property deemed to be benefited by local improvements, as provided for in sec. 170.01, shall be assessed upon the property specially benefited by the improvement in proportion to the benefits to be derived therefrom, said special benefits to be determined and prorated according to the foot frontage of the respective properties specially benefited by said improvement, or by such other method as the governing body of the municipality may prescribe.”

The ERU allocation approach is a generally recognized and commonly approved method of proportionally spreading assessments over benefited properties for special assessments levied by community development districts. Although the general public outside the District will benefit from the Project, such benefits are incidental. The facilities in the Project meet the needs of the developed property within the District, as well as provide benefit to all residential property within the District. The property owners within the District are therefore receiving special benefits not received by those outside the boundaries, and direct and cumulative benefits accrue mainly to residents.

Assessment Methodology

This benefit and allocation approach is based on the principle that dwelling units on a similar size lot will receive a relatively equal and direct benefit from the Project. The direct benefits from these improvements include increased use, enjoyment and increased property values to all residential properties, and the direct benefits from each public improvement system and function provided by the District.

An assessment methodology based on ERUs provides a way to quantify the benefit that different lot sizes and land use types receive from public improvements in terms of their equivalence to a single-family residential dwelling unit on a fifty-foot wide lot, which is defined as 1.0 ERU. Under the ERU model, the District allocates assessments on platted property proportionately based on lot size as indicated on the subject recorded plat map; assessments on undeveloped property (e.g., property without recorded subdivision plat map) are allocated proportionately based on acreage basis. As noted above, the equal benefit and assessment

allocation approach is a generally recognized and approved method of proportionally spreading assessments over benefited properties within a special district.

These Special Benefits and Allocation of Assessments

In the present case, the financing program will enable the District to provide Master Improvements and Subdivision Improvements for each Assessment Area. Such improvements will provide direct benefit for the utilization of this property, will substantially enhance the use and enjoyment of the benefited residential properties, and will increase the value and marketability of the benefited residential properties. These benefits flow proportionately over all benefited properties. The District will apply the assessment methodology to the financing program relating to the Project. A ranking and finding of 1.0 ERU per residential unit on a fifty-foot lot applies. All residential units in each respective Assessment Area will proportionally benefit from the purchase and maintenance of the Master Improvements and respective Subdivision Improvements.

Rate and Method of Apportionment

A rate and method of apportionment of Special Assessments is attached in the Appendix. At time of bond issuance, the true up obligation is described in the supplemental assessment methodology report. The supplemental assessment report anticipates a mechanism by which the landowner shall, if required, make certain payments to the District in order to satisfy, in whole or in part, the assessments allocated and the liens imposed pursuant to adopted resolutions, the amount of such payments being equal to the par debt that is not capable of being assigned to the total number of developed units, plus any applicable interest charges and collection fees as described in the supplemental assessment report (which payments shall collectively be referenced as the **“True-Up Payment”**). The landowner desires to guarantee the payment of any True-Up Payment required of it and all other owners of land within the District; and the landowner and the District desire to enter into an agreement to confirm landowner’s intentions and obligations to make any and all True-Up Payments related to the assessments.

Preliminary Assessment Roll and Collection

A Preliminary Assessment Roll is attached in the Appendix. The Special Assessments are expected to be collected directly by the District on un-platted parcels and via the County’s property tax bill as parcels of land in the District are platted.

Document Review

The documents associated with the above referenced acquisition and financing of the property, assessment plat, and assessment roll are available for review at the District Offices at 15310 Amberly Drive, Suite 175, Tampa, FL 33647 (tel. 813-374-9105).

Conclusion

The acquisition and construction of the Master and Subdivision Improvements using bond proceeds will be utilized for common District purposes. For each respective Assessment Area, these assessments will be levied over all benefited properties on a fair and equitable basis as described herein. The benefited properties will receive benefits in excess of the allocated assessments. Accordingly, this is an appropriate District project that will significantly benefit the properties and enhance the District.

Special Benefit

The Master and Subdivision Improvements will provide special benefit to parcels within District. The parcels will receive special benefit, because the subject Master Improvements deliver interconnected structural improvement elements that provide a framework, which supports and adds to the entire development. The Subdivision Improvements will provide special benefit to the respective parcel where such improvements are constructed. The Master and Subdivision Improvements yield benefits to parcel owners in terms of meeting development needs and increasing property values.

Assessment Apportionment

The Special Assessments are fairly and equally apportioned over all the benefited properties. The benefits are quantified and assigned to parcels based on lot size since larger lot areas receive proportionately greater benefits than smaller lots from the Master and Subdivision Improvements. The CDD assigned proxy values to the various expected lot sizes on the basis that a fifty-foot wide lot receives the value of 1.0 ERU, accordingly a sixty-foot wide lot receives the value of 1.2 ERU.

Reasonableness of Assessment Apportionment

It is reasonable, proper and just to assess the costs of the Master and Subdivision Improvements against lands in the District. As a result of the Public Improvements, properties in the CDD receive special benefit and increase in value. Based on the premise that the CDD's Master and Subdivision Improvements make the properties more valuable, in return it is reasonable for the District to levy the Special Assessments against benefitted lands within the District. The benefits will be equal to or in excess of the Special Assessments thereon when allocated.

Best Interest

The District provides for delivering the Master and Subdivision Improvements in a timely, orderly, and efficient manner. It can economically and efficiently provide the amount and quality of services required by the public. The District provides a financing mechanism to (i) fund Master and Subdivision Improvements at a relatively low cost of capital, and (ii) on a timely, “pay for itself” type basis. The exercise by the District of its powers is consistent with applicable with state law. It is in the best interest of the District.

Appendix 1 - Rate and Method of Apportionment of Special Assessment

The Special Assessments shall be levied on all parcels within the Avalon Groves CDD that benefit from the Project and will be collected each fiscal year in an amount determined by the CDD through the application of this rate and method of apportionment as described below. All of the real property within the CDD, unless exempted by law or the provisions hereof, shall be assessed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS:

The terms hereinafter set forth have the following meanings:

"Administrative Expenses" means any actual or reasonably estimated expenses of the CDD to carry out the administration of the CDD related to the determination of the amount of the special assessment, the collection of special assessment, and costs otherwise incurred in order to carry out the authorized purposes of the CDD.

"Appraiser's Parcel" means a Lot or parcel shown in Lake County appraiser's parcel map, or included or includable in Lake County's non-ad valorem assessment roll designated by folio or PIN.

"Assessable Property" means all of the Appraiser's Parcels within the boundaries of the CDD that are not exempt from the Special Assessment pursuant to law or as defined below.

"District Debt" means bonds or other debt issued by the CDD, which are secured by the levy of Special Assessments of the CDD.

"Developed Property" means all Assessable Property for which the Lake County property appraiser designated a property use code for each Lot that indicates developed residential property, as reasonably determined by the CDD, or a Lot which has legal entitlements created by a recorded Plat Map and whose physical characteristics are a fine grade level pad with infrastructure contiguous to each individual lot, asphalt paved roads, and the necessary utilities.

"ERU" means a way to quantify different land use types in terms of their equivalence to a fifty-foot wide Lot, which is defined as 1.0 ERU.

"Fiscal Year" means the period starting October 1 and ending on the following September 30.

"Lot" means an individual residential lot, identified and numbered on a recorded final subdivision map, on which a building permit has been or is permitted to be issued for construction of a residential unit without further subdivision of the lot and for which no further subdivision of the lot is anticipated.

"Property Owner Association Property" means any property within the CDD boundaries that is owned by, or irrevocably dedicated as indicated in an instrument recorded with the County Recorder to, a property owner association, including any master or sub-association.

"Public Property" means any property within the CDD boundaries that is, at the time of the CDD formation, expected to be used for any public purpose and is owned by or dedicated to the federal government, the State, the County, the District or any other public agency.

"Special Assessments" means the Special Assessments levied pursuant to the provisions of Sections C and D below in each Fiscal Year on each Appraiser's Parcel of Developed Property and Undeveloped Property in the CDD to fund the Special Assessment Requirement.

"Special Assessment Requirement" means that amount determined by the CDD's board of supervisors that is required in any Fiscal Year to pay regularly scheduled debt service for the calendar year, which commences in such Fiscal Year, on the outstanding District Debt, less available funds pursuant to the indenture.

"Undeveloped Property" means, for each Fiscal Year, all Assessable Property not classified as Developed Property, such as vacant acreage or similar property use codes as determined by the CDD.

B. ASSIGNMENT TO LAND USE CATEGORIES AND OF ERU:

Each Fiscal Year using the definitions above, all Assessable Property within each phase of the CDD shall be classified as Developed Property or Undeveloped Property, and shall be subject to Special Assessment pursuant to Sections C and D below.

C. ANNUAL MAXIMUM SPECIAL ASSESSMENT REQUIREMENT

The estimated maximum annual debt service (MADS), or Special Assessment Requirement, to fund all of the Master and Subdivision Improvements is presented in the following table.

Table 3 - Estimated Special Assessment Requirement (MADS)

Assessment Area	\$ Amount (excl. County charges and early payment discount)
One	\$1,900,064
Two	\$2,083,371
Three	\$1,770,598

Refer to the Appendix for details on the bond sizing.

D. SPECIAL ASSESSMENT RATE

1. Developed Property - Assigned ERU and Maximum Debt and MADS Allocation for All Assessment Areas

Table 4 – Assessment Area One Special Assessments

Lot Product Type	Units	ERU	Total ERU	% ERU	Proposed - Par Amount	Par/Unit	Proposed - MADS	MADS/Unit
30 (duplex)	112	0.60	67.20	12.66%	\$2,926,942	\$26,133	\$240,596	\$2,148
40-45	87	0.90	78.30	14.75%	\$3,410,410	\$39,200	\$280,337	\$3,222
50	216	1.00	216.00	40.70%	\$9,408,027	\$43,556	\$773,344	\$3,580
60	141	1.20	169.20	31.88%	\$7,369,621	\$52,267	\$605,786	\$4,296
Total	556		530.70	100.00%	\$23,115,000		\$1,900,064	

Table 5 - Assessment Area Two Special Assessments

Lot Product Type	Units	ERU	Total ERU	% ERU	Proposed - Par Amount	Par/Unit	Proposed - MADS	MADS/Unit
40-45	83	0.90	74.70	15.21%	\$3,855,165	\$46,448	\$316,896	\$3,818
50	294	1.00	294.00	59.87%	\$15,172,938	\$51,609	\$1,247,223	\$4,242
60	102	1.20	122.40	24.92%	\$6,316,897	\$61,930	\$519,252	\$5,091
Total	479		491.10	100.00%	\$25,345,000		\$2,083,371	

Table 6 - Assessment Area Three Special Assessments

Lot Product Type	Units	ERU	Total ERU	% ERU	Proposed - Par Amount	Par/Unit	Proposed - MADS	MADS/Unit
50	317	1.00	317.00	100.00%	\$21,540,000	\$67,950	\$1,770,598	\$5,585
Total	317		317.00	100.00%	\$21,540,000		\$1,770,598	

2. Undeveloped Property

a) District Debt Allocation

Prior to recordation of a Plat Map, the District Debt is allocated per acre for each Assessment Area as illustrated in the following table.

Table 7 - Maximum Debt Allocation Undeveloped Property

Assessment Area	ERU	Acreage	District Debt	District Debt/Ac	District Debt/ERU
One	530.70		\$23,115,000	#DIV/0!	\$43,556
Two	491.10		\$25,345,000	#DIV/0!	\$51,609
Three	317.00		\$21,540,000	#DIV/0!	\$67,950
Total			\$70,000,000		

b) Assigned Annual Special Assessment Rate (Subdivision and Master)

The following table illustrates the Annual Assessment allocation prior to platting.

Table 8 - Maximum Annual Assessment Allocation (MADS) Undeveloped Property

Assessment Area	ERU	Acreage (ac)	MADS	MADS/Ac	MADS/ERU
One	530.70		\$1,900,064	#DIV/0!	\$3,580
Two	491.10		\$2,083,371	#DIV/0!	\$4,242
Three	317.00		\$1,770,598	#DIV/0!	\$5,585
Total			\$5,754,033		

Please refer to the Appendix for details on property classification and land size.

E. METHOD OF APPORTIONMENT OF THE SPECIAL ASSESSMENT

Each Fiscal Year, the CDD shall levy the Special Assessments as follows:

First (Developed Property): The Special Assessment shall be levied proportionately on each Appraiser's Parcel of Developed Property in an amount up to 100% of the applicable Special Assessment rate as determined pursuant to Section D.1 and Section D.2 for each particular Assessment Area, or subdivision.

Second (Undeveloped Property): If additional monies are needed to satisfy the Debt Service Requirement after the first step has been completed, the Special Assessment shall be levied proportionally on each Appraiser's Parcel of Undeveloped Property at up to 100% of the Assigned Special Assessment rate for Undeveloped Property as determined pursuant to Section D.3 for each particular phase.

Third – True Up: If additional monies are needed to satisfy the Debt Service Requirement after the first two steps have been completed as a result of a plat or re-plat of property, the owner of such property will be obligated to immediately remit to the trustee, for deposit into the redemption account, the total bond principal amount for the difference between the Debt Service Requirement and the special assessment revenue generated after the first two steps have been completed (the “True Up Obligation”). The true up obligation will be described in a separate agreement as part of the bond documents.

Refer to Appendix 3 for a preliminary assessment roll illustrating the initial levy of the Special Assessments in accordance with the method of apportionment described above.

F. EXEMPTIONS

No Special Assessment shall be levied on Public Property and Property Owner Association Property. According to Section 193.0235 (Ad valorem taxes and non-ad valorem assessments against subdivision property), Florida Statutes, Special Assessment may not be assessed separately against common elements utilized exclusively for the benefit of lot owners within the subdivision, regardless of ownership. Common elements include the following:

- (a) Subdivision property not included within lots constituting inventory for the developer which are intended to be conveyed or have been conveyed into private ownership.
- (b) An easement through the subdivision property, not including the property described in paragraph (a), which has been dedicated to the public or retained for the benefit of the subdivision.
- (c) Any other part of the subdivision which has been designated on the plat or is required to be designated on the site plan as a drainage pond, or detention or retention pond, for the exclusive benefit of the subdivision.
- (d) Property located within the same county as the subdivision and used for at least 10 years exclusively for the benefit of lot owners within the subdivision.

G. MANNER OF COLLECTION

The Special Assessments shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes once parcels are platted. The CDD intends to directly collect Special Assessments on unplatted parcels.

H. PREPAYMENT

The following definition applies to this Section H.

“Outstanding District Debt” means previously issued District Debt secured by the levy of Special Assessments, which will remain outstanding after the first interest and/or principal payment date following the current Fiscal Year, excluding District Debt to be redeemed at a later date with the proceeds of prior prepayments.

The Special Assessment obligation of an Appraiser’s Parcel may be prepaid in full, or in part, and the obligation of the Appraiser’s Parcel to pay the Special Assessment permanently, or partially, satisfied; provided that a prepayment may be made only if there are no delinquent Special Assessment with respect to such Appraiser’s Parcel at time of prepayment.

The Special Assessment Prepayment amount is calculated as follows:

Outstanding District Debt amount allocated to the subject Appraiser’s Parcel
Plus: Accrued interest on principal amount to be prepaid, calculated to next interest payment date occurring at least 45 days prior to the tender of the prepayment
Less: Capitalized interest credit, if any remains at time of prepayment
Total: equals Prepayment Amount (PA)
Plus: Reasonable Administrative Expenses related to lien release, calculation and recordation as determined by the CDD manager (A)

Partial Prepayment (PP) is calculated as follows: $PP = (PA * F) + A$

The term F means the percent by which the owner of the Appraiser’s Parcel is partially prepaying the Special Assessment. With respect to a partial prepayment, the CDD manager shall indicate in the CDD records that there has been a partial prepayment and that a portion of the Special Assessment equal to (1.00 minus F) of the remaining Special Assessment shall continue to be authorized to be levied on such Appraiser’s Parcel pursuant to Section D.

Appendix 2 - Estimated Public Improvement Costs and Benefit Allocation for Each Assessment Area

Table 9 – Assessment Area One Improvement Costs Allocation

Lot Type	Units	ERU	Total ERU	% ERU	Total Costs	Total Costs/Unit
30 (duplex)	112	0.60	67.20	12.66%	\$1,909,152	\$17,046
40-45	87	0.90	78.30	14.75%	\$2,224,504	\$25,569
50	216	1.00	216.00	40.70%	\$6,136,562	\$28,410
60	141	1.20	169.20	31.88%	\$4,806,973	\$34,092
Total	556		530.70	100.00%	\$15,077,191	

Table 10 – Assessment Area Two Improvement Costs Allocation

Lot Type	Units	ERU	Total ERU	% ERU	Total Costs	Total Costs/Unit
40-45	83	0.90	74.70	15.21%	\$2,514,728	\$30,298
50	294	1.00	294.00	59.87%	\$9,897,323	\$33,664
60	102	1.20	122.40	24.92%	\$4,120,518	\$40,397
Total	479		491.10	100.00%	\$16,532,569	

Table 11 – Assessment Area Three Improvement Costs Allocation

Lot Type	Units	ERU	Total ERU	% ERU	Total Costs	Total Costs/Unit
50	317	1.00	317.00	100.00%	\$14,053,633	\$44,333
Total	317		317.00	100.00%	\$14,053,633	

* Costs from District Engineer. Refer to Engineer's Report for details, excluding costs and other uses associated with bond financing transactions.

Appendix 3 – Preliminary Sources and Uses of Funds for the Project

PRELIMINARY BOND SIZING ANALYSIS /(a)					
Bond Summary Statistics	Assessment Area ONE	Assessment Area TWO	Assessment Area THREE		
Par Amount (estimate, all Phases)	\$23,115,000	\$25,345,000	\$21,540,000		
Net Construction Proceeds (estimate, all Phases)	\$15,077,191	\$16,532,569	\$14,053,633		
Average interest rate (coupon)	7.25%	7.25%	7.25%		
Term (years)	30	30	30		
Payment Frequency (May and November)	2	2	2		
Payment periods	60	60	60		
Bond denomination	\$5,000	\$5,000	\$5,000		
Capitalized interest term (in months)	36	36	36		
Maximum Annual Debt Service (MADS)	\$1,900,064	\$2,083,371	\$1,770,598		

SOURCES AND USES OF FUNDS /(b)					
Sources	ONE	TWO	THREE	Total	%
Bond Proceeds - Par Amount in \$5000 denomination	\$23,115,000	\$25,345,000	\$21,540,000	\$70,000,000	100%

Uses					
Project Fund Deposits:					
Acquisition and Construction Account /(c)	\$15,077,191	\$16,532,569	\$14,053,633	\$45,663,393	65%
Other Fund Deposits:					
Debt Service Reserve Fund (collateral for bonds)	\$1,900,064	\$2,083,371	\$1,770,598		
Capitalized Interest (pre-funded interest)	\$5,027,513	\$5,512,538	\$4,684,950		
	\$6,927,577	\$7,595,909	\$6,455,548	\$20,979,033	30%
Delivery Date Expenses:					
Cost of Issuance	\$532,358	\$582,898	\$492,319		
Underwriter's Discount	\$577,875	\$633,625	\$538,500		
	\$1,110,233	\$1,216,523	\$1,030,819	\$3,357,574	5%
Total Sources over Uses	\$0	\$0	\$0	\$0	

Footnotes:

- (a) Preliminary and subject to change, actual interest rates to be determined at pricing.
- (b) Maximum amount funded given assumed interest rates, MADS constraints and expenses.
- (c) Estimated construction costs for all Phases from District Engineer's Report.

Appendix 4 - Preliminary Assessment Roll

Assessment Area /(b)	Owner /(b)	Total Acreage (a)	Total District Debt /(c)	Total District Debt per acre/(c)	Total MADS /(d)	Total MADS per acre /(d)
One	VK Avalon Groves, LLC		\$23,115,000			
Two	VK Avalon Groves, LLC		\$25,345,000			
Three	VK Avalon Groves, LLC		\$21,540,000			
Total		0.00	\$70,000,000			

Footnotes:

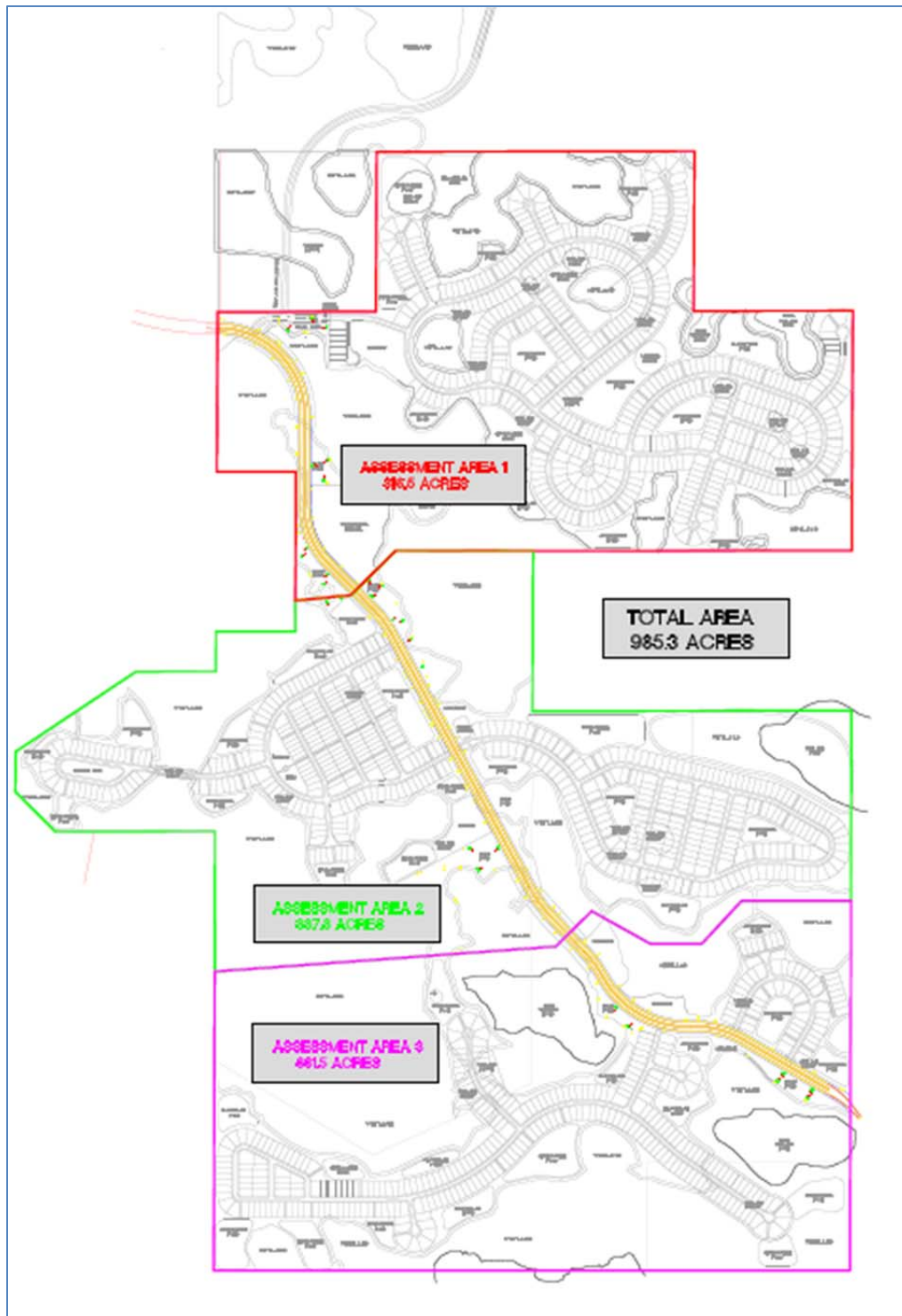
(a) Estimate based on County Property Appraiser records. Acreage includes lowlands. Total acreage per establishment ordinance is 971.265 acre.

(b) Owner information per Petition to Establish the District. Refer to Engineer's Report and Appendix for sketch of the areas.

(c) The Assessments will remain levied against Undeveloped Property on an equal acreage basis until the Assessable Property is platted.

(d) Excluding County collection charges and early payment discounts.

Appendix 5 - CDD Vicinity Map and Proposed Assessment Areas



Source: District Engineer.

EXHIBIT 3

RESOLUTION 2017-01

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT DECLARING SPECIAL ASSESSMENTS FOR THE ASSESSMENT AREA 1; INDICATING THE LOCATION, NATURE AND ESTIMATED COST OF THOSE INFRASTRUCTURE IMPROVEMENTS WHOSE COST IS TO BE DEFRAID BY THE SPECIAL ASSESSMENTS; PROVIDING THE PORTION OF THE ESTIMATED COST OF THE IMPROVEMENTS TO BE DEFRAID BY THE SPECIAL ASSESSMENTS; PROVIDING THE MANNER IN WHICH SUCH SPECIAL ASSESSMENTS SHALL BE MADE; PROVIDING WHEN SUCH SPECIAL ASSESSMENTS SHALL BE PAID; DESIGNATING LANDS UPON WHICH THE SPECIAL ASSESSMENTS SHALL BE LEVIED; PROVIDING FOR AN ASSESSMENT PLAT; ADOPTING A PRELIMINARY ASSESSMENT ROLL; PROVIDING FOR PUBLICATION OF THIS RESOLUTION.

WHEREAS, the Board of Supervisors (the “Board”) of the Avalon Groves Community Development District (the “District”) hereby determines to undertake, install, plan, establish, construct or reconstruct, enlarge or extend, equip, acquire, operate, and/or maintain the infrastructure improvements (the “Improvements”) described in the District’s Preliminary Engineer’s Report for Assessment Area 1, dated October 11, 2016, attached hereto as **Exhibit A** and incorporated herein by reference; and

WHEREAS, it is in the best interest of the District to pay the cost of the Improvements by special assessments pursuant to Chapter 190, Florida Statutes, (the “Assessments”); and

WHEREAS, the District is empowered by Chapter 190, the Uniform Community Development District Act, Chapter 170, Supplemental and Alternative Method of Making Local Municipal Improvements, and Chapter 197, the Uniform Method for the Levy, Collection and Enforcement of Non-Ad Valorem Assessments, Florida Statutes, to finance, fund, plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate, and maintain the Improvements and to impose, levy and collect the Assessments; and

WHEREAS, the District hereby determines that benefits will accrue to the property improved, the amount of those benefits, and that special assessments will be made in proportion to the benefits received as set forth in the Preliminary Master Assessment Methodology Report

for the Assessment Area 1, dated October ____, 2016, attached hereto as **Exhibit B** and incorporated herein by reference and on file at the offices of Development Planning and Financing Group, 1060 Maitland Center Commons, Suite 340, Maitland, Florida 32751 (the “District Records Office”), and the office of the City Clerk, City of Tavares, 550 West Main Street, Tavares, Florida 32778 (“District Local Records Office”); and

WHEREAS, the District hereby determines that the Assessments to be levied will not exceed the benefit to the property improved.

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

1. Assessments shall be levied to defray the cost of the Improvements.
2. The nature and general location of, and plans and specifications for, the Improvements are described in Exhibit A, which is on file at the District Records Office. Exhibit B is also on file and available for public inspection at the same location.
3. The total estimated cost of the Improvements is \$15,077,190 (the “Estimated Cost”).
4. The Assessments will defray approximately \$_____, which includes the Estimated Cost, plus financing-related costs, capitalized interest, debt service reserve and contingency.
5. The manner in which the Assessments shall be apportioned and paid is set forth in Exhibit B, including provisions for supplemental assessment resolutions.
6. The Assessments shall be levied, within the District, on all lots and lands adjoining and contiguous or bounding and abutting upon such improvements or specially benefitted thereby and further designated by the assessment plat hereinafter provided for.
7. There is on file, at the District Records Office, an assessment plat showing the area to be assessed, with certain plans and specifications describing the Improvements and the estimated cost of the Improvements, all of which shall be open to inspection by the public.
8. Commencing with the year in which the Assessments are confirmed, the Assessments shall be paid in not more than (30) thirty annual installments. The Assessments may be payable at the same time and in the same manner as are ad-valorem taxes and collected pursuant to Chapter 197, Florida Statutes; provided, however, that in the event the uniform non ad-valorem assessment method of collecting the Assessments is not available to the District in

any year, or if determined by the District to be in its best interest, the Assessments may be collected as is otherwise permitted by law.

9. The District Manager has caused to be made a preliminary assessment roll, in accordance with the method of assessment described in Exhibit B hereto, which shows the lots and lands assessed, the amount of benefit to and the assessment against each lot or parcel of land and the number of annual installments into which the assessment may be divided, which assessment roll is hereby adopted and approved as the District's preliminary assessment roll.

10. The Board shall adopt a subsequent resolution to fix a time and place at which the owners of property to be assessed or any other persons interested therein may appear before the Board and be heard as to the propriety and advisability of the assessments or the making of the Improvements, the cost thereof, the manner of payment therefore, or the amount thereof to be assessed against each property as improved.

11. The District Manager is hereby directed to cause this Resolution to be published twice (once a week for two (2) weeks) in a newspaper of general circulation within Lake County and to provide such other notice as may be required by law or desired in the best interests of the District.

12. This Resolution shall become effective upon its passage.

PASSED AND ADOPTED this 27th day of October, 2016.

ATTEST:

**AVALON GROVES COMMUNITY
DEVELOPMENT DISTRICT**

ASSISTANT SECRETARY

CHAIRPERSON

Exhibit A: Preliminary Engineer's Report, dated October 11, 2016

Exhibit B: Preliminary Master Assessment Methodology Report, dated _____, 2016

EXHIBIT 4

RESOLUTION 2017-02

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT SETTING A PUBLIC HEARING TO BE HELD ON _____, 2016, AT _____ .M. AT _____, FOR THE PURPOSE OF HEARING PUBLIC COMMENT ON IMPOSING SPECIAL ASSESSMENTS ON CERTAIN PROPERTY WITHIN THE DISTRICT GENERALLY DESCRIBED AS THE AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT ASSESSMENT AREA 1 IN ACCORDANCE WITH CHAPTERS 170, 190 AND 197, FLORIDA STATUTES.

WHEREAS, the Board of Supervisors of the Avalon Groves Community Development District, (the "Board") has previously adopted Resolution 2017-01 entitled

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT DECLARING SPECIAL ASSESSMENTS FOR THE ASSESSMENT AREA 1; INDICATING THE LOCATION, NATURE AND ESTIMATED COST OF THOSE INFRASTRUCTURE IMPROVEMENTS WHOSE COST IS TO BE DEFRAID BY THE SPECIAL ASSESSMENTS; PROVIDING THE PORTION OF THE ESTIMATED COST OF THE IMPROVEMENTS TO BE DEFRAID BY THE SPECIAL ASSESSMENTS; PROVIDING THE MANNER IN WHICH SUCH SPECIAL ASSESSMENTS SHALL BE MADE; PROVIDING WHEN SUCH SPECIAL ASSESSMENTS SHALL BE PAID; DESIGNATING LANDS UPON WHICH THE SPECIAL ASSESSMENTS SHALL BE LEVIED; PROVIDING FOR AN ASSESSMENT PLAT; ADOPTING A PRELIMINARY ASSESSMENT ROLL; PROVIDING FOR PUBLICATION OF THIS RESOLUTION.

WHEREAS, in accordance with Resolution 2017-01, a Preliminary Special Assessment Roll has been prepared and all other conditions precedent set forth in Chapters 170, 190 and 197, Florida Statutes, to the holding of the aforementioned public hearing have been satisfied, and the roll and related documents are available for public inspection at the offices of Development Planning and Financing Group, 1060 Maitland Center Commons, Suite 340, Maitland, Florida 32751 (the "District Records Office"), and the office of the City Clerk, City of Tavares, 550 West Main Street, Tavares, Florida 32778 ("District Local Records Office").

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

1. There is hereby declared a public hearing to be held at _____.M., on _____, 2016, at _____, for the purpose of hearing comment and objections to the proposed special assessment program for District improvements as identified in the Preliminary Special Assessment Roll, a copy of which is on file. Affected parties may appear at that hearing or submit their comments in writing prior to the hearing to the office of the District Manager located at Development Planning and Financing Group, 1060 Maitland Center Commons, Suite 340, Maitland, Florida 32751; (321) 263-0134.

2. Notice of said hearing shall be advertised in accordance with Chapters 170, 190 and 197, Florida Statutes, and the District Manager is hereby authorized and directed to place said notice in a newspaper(s) of general circulation within Lake County (by two publications one week apart with the first publication at least twenty (20) days prior to the date of the hearing established herein). The District Manager shall file a publisher's affidavit with the District Secretary verifying such publication of notice. The District Manager is further authorized and directed to give thirty (30) days written notice by mail of the time and place of this hearing to the owners of all property to be assessed and include in such notice the amount of the assessment for each such property owner, a description of the areas to be improved and notice that information concerning all assessments may be ascertained at the District Records Offices. The District Manager shall file proof of such mailing by affidavit with the District Secretary.

3. This Resolution shall become effective upon its passage.

PASSED AND ADOPTED this 27th day of October, 2016.

ATTEST:

**AVALON GROVES COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

Chairperson

EXHIBIT 5

RESOLUTION 2017-03

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT DECLARING SPECIAL ASSESSMENTS FOR THE ASSESSMENT AREA 2; INDICATING THE LOCATION, NATURE AND ESTIMATED COST OF THOSE INFRASTRUCTURE IMPROVEMENTS WHOSE COST IS TO BE DEFRAID BY THE SPECIAL ASSESSMENTS; PROVIDING THE PORTION OF THE ESTIMATED COST OF THE IMPROVEMENTS TO BE DEFRAID BY THE SPECIAL ASSESSMENTS; PROVIDING THE MANNER IN WHICH SUCH SPECIAL ASSESSMENTS SHALL BE MADE; PROVIDING WHEN SUCH SPECIAL ASSESSMENTS SHALL BE PAID; DESIGNATING LANDS UPON WHICH THE SPECIAL ASSESSMENTS SHALL BE LEVIED; PROVIDING FOR AN ASSESSMENT PLAT; ADOPTING A PRELIMINARY ASSESSMENT ROLL; PROVIDING FOR PUBLICATION OF THIS RESOLUTION.

WHEREAS, the Board of Supervisors (the “Board”) of the Avalon Groves Community Development District (the “District”) hereby determines to undertake, install, plan, establish, construct or reconstruct, enlarge or extend, equip, acquire, operate, and/or maintain the infrastructure improvements (the “Improvements”) described in the District’s Preliminary Engineer’s Report for Assessment Area 2, dated October 11, 2016, attached hereto as **Exhibit A** and incorporated herein by reference; and

WHEREAS, it is in the best interest of the District to pay the cost of the Improvements by special assessments pursuant to Chapter 190, Florida Statutes, (the “Assessments”); and

WHEREAS, the District is empowered by Chapter 190, the Uniform Community Development District Act, Chapter 170, Supplemental and Alternative Method of Making Local Municipal Improvements, and Chapter 197, the Uniform Method for the Levy, Collection and Enforcement of Non-Ad Valorem Assessments, Florida Statutes, to finance, fund, plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate, and maintain the Improvements and to impose, levy and collect the Assessments; and

WHEREAS, the District hereby determines that benefits will accrue to the property improved, the amount of those benefits, and that special assessments will be made in proportion to the benefits received as set forth in the Preliminary Master Assessment Methodology Report

for the Assessment Area 2, dated October ____, 2016, attached hereto as **Exhibit B** and incorporated herein by reference and on file at the offices of Development Planning and Financing Group, 1060 Maitland Center Commons, Suite 340, Maitland, Florida 32751 (the “District Records Office”), and the office of the City Clerk, City of Tavares, 550 West Main Street, Tavares, Florida 32778 (“District Local Records Office”); and

WHEREAS, the District hereby determines that the Assessments to be levied will not exceed the benefit to the property improved.

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

1. Assessments shall be levied to defray the cost of the Improvements.
2. The nature and general location of, and plans and specifications for, the Improvements are described in Exhibit A, which is on file at the District Records Office. Exhibit B is also on file and available for public inspection at the same location.
3. The total estimated cost of the Improvements is \$16,532,569 (the “Estimated Cost”).
4. The Assessments will defray approximately \$_____, which includes the Estimated Cost, plus financing-related costs, capitalized interest, debt service reserve and contingency.
5. The manner in which the Assessments shall be apportioned and paid is set forth in Exhibit B, including provisions for supplemental assessment resolutions.
6. The Assessments shall be levied, within the District, on all lots and lands adjoining and contiguous or bounding and abutting upon such improvements or specially benefitted thereby and further designated by the assessment plat hereinafter provided for.
7. There is on file, at the District Records Office, an assessment plat showing the area to be assessed, with certain plans and specifications describing the Improvements and the estimated cost of the Improvements, all of which shall be open to inspection by the public.
8. Commencing with the year in which the Assessments are confirmed, the Assessments shall be paid in not more than (30) thirty annual installments. The Assessments may be payable at the same time and in the same manner as are ad-valorem taxes and collected pursuant to Chapter 197, Florida Statutes; provided, however, that in the event the uniform non ad-valorem assessment method of collecting the Assessments is not available to the District in

any year, or if determined by the District to be in its best interest, the Assessments may be collected as is otherwise permitted by law.

9. The District Manager has caused to be made a preliminary assessment roll, in accordance with the method of assessment described in Exhibit B hereto, which shows the lots and lands assessed, the amount of benefit to and the assessment against each lot or parcel of land and the number of annual installments into which the assessment may be divided, which assessment roll is hereby adopted and approved as the District's preliminary assessment roll.

10. The Board shall adopt a subsequent resolution to fix a time and place at which the owners of property to be assessed or any other persons interested therein may appear before the Board and be heard as to the propriety and advisability of the assessments or the making of the Improvements, the cost thereof, the manner of payment therefore, or the amount thereof to be assessed against each property as improved.

11. The District Manager is hereby directed to cause this Resolution to be published twice (once a week for two (2) weeks) in a newspaper of general circulation within Lake County and to provide such other notice as may be required by law or desired in the best interests of the District.

12. This Resolution shall become effective upon its passage.

PASSED AND ADOPTED this 27th day of October, 2016.

ATTEST:

**AVALON GROVES COMMUNITY
DEVELOPMENT DISTRICT**

ASSISTANT SECRETARY

CHAIRPERSON

Exhibit A: Preliminary Engineer's Report, dated October 11, 2016

Exhibit B: Preliminary Master Assessment Methodology Report, dated _____, 2016

Exhibit 6

RESOLUTION 2017-04

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT SETTING A PUBLIC HEARING TO BE HELD ON _____, 2016, AT _____ .M. AT _____, FOR THE PURPOSE OF HEARING PUBLIC COMMENT ON IMPOSING SPECIAL ASSESSMENTS ON CERTAIN PROPERTY WITHIN THE DISTRICT GENERALLY DESCRIBED AS THE AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT ASSESSMENT AREA 2 IN ACCORDANCE WITH CHAPTERS 170, 190 AND 197, FLORIDA STATUTES.

WHEREAS, the Board of Supervisors of the Avalon Groves Community Development District, (the "Board") has previously adopted Resolution 2017-03 entitled

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT DECLARING SPECIAL ASSESSMENTS FOR THE ASSESSMENT AREA 2; INDICATING THE LOCATION, NATURE AND ESTIMATED COST OF THOSE INFRASTRUCTURE IMPROVEMENTS WHOSE COST IS TO BE DEFRAID BY THE SPECIAL ASSESSMENTS; PROVIDING THE PORTION OF THE ESTIMATED COST OF THE IMPROVEMENTS TO BE DEFRAID BY THE SPECIAL ASSESSMENTS; PROVIDING THE MANNER IN WHICH SUCH SPECIAL ASSESSMENTS SHALL BE MADE; PROVIDING WHEN SUCH SPECIAL ASSESSMENTS SHALL BE PAID; DESIGNATING LANDS UPON WHICH THE SPECIAL ASSESSMENTS SHALL BE LEVIED; PROVIDING FOR AN ASSESSMENT PLAT; ADOPTING A PRELIMINARY ASSESSMENT ROLL; PROVIDING FOR PUBLICATION OF THIS RESOLUTION.

WHEREAS, in accordance with Resolution 2017-03, a Preliminary Special Assessment Roll has been prepared and all other conditions precedent set forth in Chapters 170, 190 and 197, Florida Statutes, to the holding of the aforementioned public hearing have been satisfied, and the roll and related documents are available for public inspection at the offices of Development Planning and Financing Group, 1060 Maitland Center Commons, Suite 340, Maitland, Florida 32751 (the "District Records Office"), and the office of the City Clerk, City of Tavares, 550 West Main Street, Tavares, Florida 32778 ("District Local Records Office").

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

1. There is hereby declared a public hearing to be held at _____.M., on _____, 2016, at _____, for the purpose of hearing comment and objections to the proposed special assessment program for District improvements as identified in the Preliminary Special Assessment Roll, a copy of which is on file. Affected parties may appear at that hearing or submit their comments in writing prior to the hearing to the office of the District Manager located at Development Planning and Financing Group, 1060 Maitland Center Commons, Suite 340, Maitland, Florida 32751; (321) 263-0134.

2. Notice of said hearing shall be advertised in accordance with Chapters 170, 190 and 197, Florida Statutes, and the District Manager is hereby authorized and directed to place said notice in a newspaper(s) of general circulation within Lake County (by two publications one week apart with the first publication at least twenty (20) days prior to the date of the hearing established herein). The District Manager shall file a publisher's affidavit with the District Secretary verifying such publication of notice. The District Manager is further authorized and directed to give thirty (30) days written notice by mail of the time and place of this hearing to the owners of all property to be assessed and include in such notice the amount of the assessment for each such property owner, a description of the areas to be improved and notice that information concerning all assessments may be ascertained at the District Records Offices. The District Manager shall file proof of such mailing by affidavit with the District Secretary.

3. This Resolution shall become effective upon its passage.

PASSED AND ADOPTED this 27th day of October, 2016.

ATTEST:

**AVALON GROVES COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

Chairperson

EXHIBIT 7

RESOLUTION 2017-05

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT DECLARING SPECIAL ASSESSMENTS FOR THE ASSESSMENT AREA 3; INDICATING THE LOCATION, NATURE AND ESTIMATED COST OF THOSE INFRASTRUCTURE IMPROVEMENTS WHOSE COST IS TO BE DEFRAID BY THE SPECIAL ASSESSMENTS; PROVIDING THE PORTION OF THE ESTIMATED COST OF THE IMPROVEMENTS TO BE DEFRAID BY THE SPECIAL ASSESSMENTS; PROVIDING THE MANNER IN WHICH SUCH SPECIAL ASSESSMENTS SHALL BE MADE; PROVIDING WHEN SUCH SPECIAL ASSESSMENTS SHALL BE PAID; DESIGNATING LANDS UPON WHICH THE SPECIAL ASSESSMENTS SHALL BE LEVIED; PROVIDING FOR AN ASSESSMENT PLAT; ADOPTING A PRELIMINARY ASSESSMENT ROLL; PROVIDING FOR PUBLICATION OF THIS RESOLUTION.

WHEREAS, the Board of Supervisors (the “Board”) of the Avalon Groves Community Development District (the “District”) hereby determines to undertake, install, plan, establish, construct or reconstruct, enlarge or extend, equip, acquire, operate, and/or maintain the infrastructure improvements (the “Improvements”) described in the District’s Preliminary Engineer’s Report for Assessment Area 3, dated October 11, 2016, attached hereto as **Exhibit A** and incorporated herein by reference; and

WHEREAS, it is in the best interest of the District to pay the cost of the Improvements by special assessments pursuant to Chapter 190, Florida Statutes, (the “Assessments”); and

WHEREAS, the District is empowered by Chapter 190, the Uniform Community Development District Act, Chapter 170, Supplemental and Alternative Method of Making Local Municipal Improvements, and Chapter 197, the Uniform Method for the Levy, Collection and Enforcement of Non-Ad Valorem Assessments, Florida Statutes, to finance, fund, plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate, and maintain the Improvements and to impose, levy and collect the Assessments; and

WHEREAS, the District hereby determines that benefits will accrue to the property improved, the amount of those benefits, and that special assessments will be made in proportion to the benefits received as set forth in the Preliminary Master Assessment Methodology Report

for the Assessment Area 3, dated October ____, 2016, attached hereto as **Exhibit B** and incorporated herein by reference and on file at the offices of Development Planning and Financing Group, 1060 Maitland Center Commons, Suite 340, Maitland, Florida 32751 (the “District Records Office”), and the office of the City Clerk, City of Tavares, 550 West Main Street, Tavares, Florida 32778 (“District Local Records Office”); and

WHEREAS, the District hereby determines that the Assessments to be levied will not exceed the benefit to the property improved.

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

1. Assessments shall be levied to defray the cost of the Improvements.
2. The nature and general location of, and plans and specifications for, the Improvements are described in Exhibit A, which is on file at the District Records Office. Exhibit B is also on file and available for public inspection at the same location.
3. The total estimated cost of the Improvements is \$14,053,633 (the “Estimated Cost”).
4. The Assessments will defray approximately \$_____, which includes the Estimated Cost, plus financing-related costs, capitalized interest, debt service reserve and contingency.
5. The manner in which the Assessments shall be apportioned and paid is set forth in Exhibit B, including provisions for supplemental assessment resolutions.
6. The Assessments shall be levied, within the District, on all lots and lands adjoining and contiguous or bounding and abutting upon such improvements or specially benefitted thereby and further designated by the assessment plat hereinafter provided for.
7. There is on file, at the District Records Office, an assessment plat showing the area to be assessed, with certain plans and specifications describing the Improvements and the estimated cost of the Improvements, all of which shall be open to inspection by the public.
8. Commencing with the year in which the Assessments are confirmed, the Assessments shall be paid in not more than (30) thirty annual installments. The Assessments may be payable at the same time and in the same manner as are ad-valorem taxes and collected pursuant to Chapter 197, Florida Statutes; provided, however, that in the event the uniform non ad-valorem assessment method of collecting the Assessments is not available to the District in

any year, or if determined by the District to be in its best interest, the Assessments may be collected as is otherwise permitted by law.

9. The District Manager has caused to be made a preliminary assessment roll, in accordance with the method of assessment described in Exhibit B hereto, which shows the lots and lands assessed, the amount of benefit to and the assessment against each lot or parcel of land and the number of annual installments into which the assessment may be divided, which assessment roll is hereby adopted and approved as the District's preliminary assessment roll.

10. The Board shall adopt a subsequent resolution to fix a time and place at which the owners of property to be assessed or any other persons interested therein may appear before the Board and be heard as to the propriety and advisability of the assessments or the making of the Improvements, the cost thereof, the manner of payment therefore, or the amount thereof to be assessed against each property as improved.

11. The District Manager is hereby directed to cause this Resolution to be published twice (once a week for two (2) weeks) in a newspaper of general circulation within Lake County and to provide such other notice as may be required by law or desired in the best interests of the District.

12. This Resolution shall become effective upon its passage.

PASSED AND ADOPTED this 27th day of October, 2016.

ATTEST:

**AVALON GROVES COMMUNITY
DEVELOPMENT DISTRICT**

ASSISTANT SECRETARY

CHAIRPERSON

Exhibit A: Preliminary Engineer's Report, dated October 11, 2016

Exhibit B: Preliminary Master Assessment Methodology Report, dated _____, 2016

EXHIBIT 8

RESOLUTION 2017-06

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT SETTING A PUBLIC HEARING TO BE HELD ON _____, 2016, AT _____ .M. AT _____, FOR THE PURPOSE OF HEARING PUBLIC COMMENT ON IMPOSING SPECIAL ASSESSMENTS ON CERTAIN PROPERTY WITHIN THE DISTRICT GENERALLY DESCRIBED AS THE AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT ASSESSMENT AREA 3 IN ACCORDANCE WITH CHAPTERS 170, 190 AND 197, FLORIDA STATUTES.

WHEREAS, the Board of Supervisors of the Avalon Groves Community Development District, (the “Board”) has previously adopted Resolution 2017-05 entitled

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT DECLARING SPECIAL ASSESSMENTS FOR THE ASSESSMENT AREA 3; INDICATING THE LOCATION, NATURE AND ESTIMATED COST OF THOSE INFRASTRUCTURE IMPROVEMENTS WHOSE COST IS TO BE DEFRAID BY THE SPECIAL ASSESSMENTS; PROVIDING THE PORTION OF THE ESTIMATED COST OF THE IMPROVEMENTS TO BE DEFRAID BY THE SPECIAL ASSESSMENTS; PROVIDING THE MANNER IN WHICH SUCH SPECIAL ASSESSMENTS SHALL BE MADE; PROVIDING WHEN SUCH SPECIAL ASSESSMENTS SHALL BE PAID; DESIGNATING LANDS UPON WHICH THE SPECIAL ASSESSMENTS SHALL BE LEVIED; PROVIDING FOR AN ASSESSMENT PLAT; ADOPTING A PRELIMINARY ASSESSMENT ROLL; PROVIDING FOR PUBLICATION OF THIS RESOLUTION.

WHEREAS, in accordance with Resolution 2017-05, a Preliminary Special Assessment Roll has been prepared and all other conditions precedent set forth in Chapters 170, 190 and 197, Florida Statutes, to the holding of the aforementioned public hearing have been satisfied, and the roll and related documents are available for public inspection at the offices of Development Planning and Financing Group, 1060 Maitland Center Commons, Suite 340, Maitland, Florida 32751 (the “District Records Office”), and the office of the City Clerk, City of Tavares, 550 West Main Street, Tavares, Florida 32778 (“District Local Records Office”).

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

1. There is hereby declared a public hearing to be held at _____.M., on _____, 2016, at _____, for the purpose of hearing comment and objections to the proposed special assessment program for District improvements as identified in the Preliminary Special Assessment Roll, a copy of which is on file. Affected parties may appear at that hearing or submit their comments in writing prior to the hearing to the office of the District Manager located at Development Planning and Financing Group, 1060 Maitland Center Commons, Suite 340, Maitland, Florida 32751; (321) 263-0134.

2. Notice of said hearing shall be advertised in accordance with Chapters 170, 190 and 197, Florida Statutes, and the District Manager is hereby authorized and directed to place said notice in a newspaper(s) of general circulation within Lake County (by two publications one week apart with the first publication at least twenty (20) days prior to the date of the hearing established herein). The District Manager shall file a publisher's affidavit with the District Secretary verifying such publication of notice. The District Manager is further authorized and directed to give thirty (30) days written notice by mail of the time and place of this hearing to the owners of all property to be assessed and include in such notice the amount of the assessment for each such property owner, a description of the areas to be improved and notice that information concerning all assessments may be ascertained at the District Records Offices. The District Manager shall file proof of such mailing by affidavit with the District Secretary.

3. This Resolution shall become effective upon its passage.

PASSED AND ADOPTED this 27th day of October, 2016.

ATTEST:

**AVALON GROVES COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

Chairperson

EXHIBIT 9



1331 SUNDIAL POINT
WINTER SPRINGS, FLORIDA 32708
TEL 407.875.6933
FAX 407.875.1061

October 12, 2016

Mr. Jim Harvey, Chairman
Avalon Groves Community Development District

VIA EMAIL: jharvey@kolter.com

RE: An appraisal regarding the per acre valuation of wetlands and uplands recreation/amenity land proposed for the Avalon Groves Community Development District located within the Avalon Groves planned development which is located on the east and west sides of the proposed Sawgrass Bay Boulevard extension, in south Lake County, Florida.

Dear Mr. Harvey:

Thank you for the opportunity for Meridian Appraisal Group, Inc. to submit a proposal-agreement for valuation services to you relative to the recreation/amenity land consisting of wetlands and uplands within the Avalon Groves residential development located on the east and west sides of the proposed Sawgrass Bay Boulevard extension in unincorporated Lake County, Florida. The following outlines the scope of services to be provided by Meridian Appraisal Group, Inc.

We understand that you are interested in obtaining a valuation of wetlands and uplands that will make up the community's common area to establish a per acre value of the underlying land for acquisition purposes by the Avalon Groves Community Development District.

- The appraisal assignment will provide a per acre valuation of the fee simple Market Value for wetlands and for uplands as of the date of valuation of the property, which will correspond with our physical inspection of the property. The fee simple analysis will be based on current comparable data in the market relative to wetland sales and upland sales of similar property to the subject's wetland and uplands. The appraisal of the subject property will be in a Summary report format.
- The intended use of the appraisal is for establishing a current "As Is" Market Value of the fee simple interest of wetlands and uplands representative of the property to be used to assist in internal decision making purposes by the Avalon Groves Community Development District in a potential acquisition of the land. The intended user of the appraisal report is the Avalon Groves Community Development District and authorized by Mr. Jim Harvey, Chairman of the Avalon Groves Community Development District. No other uses or users are intended.
- The appraisal report will consist of a Summary appraisal report prepared under the Uniform Standards of Professional Practice, Standards Rule 2-2(a) and performed under Standards Rule 1. Additionally, the appraisal report will comply with all regulations issued by the appropriate regulatory entities, enacting the enactment of Title XI of the FIRREA Act of 1989, and the appraisal reporting requirements of the Office of the Comptroller.
- The total fee for the appraisal of the property referenced above will be \$5,500 and can be completed within four weeks upon engagement. Our fee estimate includes the cost of three original copies of the appraisal with each additional copy at \$150. In addition, we will provide an electronic version of the report in a PDF format.



MR. JIM HARVEY, CHAIRMAN
OCTOBER 12, 2016
PAGE TWO

Authorization to proceed with this assignment is considered confirmed upon receipt of a signed copy of this letter, along with a 50% retainer. The balance of the professional fees are due upon delivery of the appraisal.

Should you request us to abandon this assignment during the progress of our work, billings will be rendered up to the date of our receipt of a written request for such abandonment and shall immediately become due and payable. In the event of any dispute relative to this proposal, the prevailing party shall be entitled to the reimbursement of attorney's fees and costs.

If the scope of services and the terms of this proposal are acceptable to you, please indicate acceptance of the terms by signature at the space provided below and return one executed copy for our files along with the requested supporting documentation.

We appreciate the opportunity to work with you on this assignment. Please feel free to contact me if you have any questions.

Very truly yours,

Meridian Appraisal Group, Inc.

AGREED AND ACCEPTED

Angela L. Brown, MAI, Vice President
State-Certified General Real Estate Appraiser RZ805

By: _____

Date: _____

ALB:dmh



Robert G. Beaumont, Jr., MAI
603 Hillcrest Street
Orlando, Florida 32803
407-839-3626 (phone)
407-839-3453 (fax)
www.valbridge.com

October 12, 2016

Avalon Groves Community Development District
C/O Mr. Jim Harvey, Chairman
8875 Hidden River Parkway
Tampa, Florida 33637

RE: Appraisal pertaining to 985± acres, Avalon Groves, Lake County, Florida

Dear Mr. Harvey:

Thank you for the opportunity to provide appraisal services pertaining to the above referenced property. It is our understanding that the subject property is under contract for sale to close on October 14, 2016, to VK Avalon Groves, LLC

The purpose of the appraisal will be to provide our opinion of the market value of the undivided fee simple interest in a generic acre of uplands and a generic acre of wetlands as part of the overall Avalon Groves property, as of a current date. Alternatively, this may be stated as the allocated value of each of the uplands and wetlands as part of the entire property.

The intended use of the report by VK Avalon Groves, LLC and the Avalon Groves Community Development District is for determining the value of the wetlands that will be sold by the owner to the CDD. The intended users are the client and the CDD. There are no other intended uses and/or users of this report.

We will develop our analyses, opinions, and conclusions and prepare this report in conformity with Standards Rule 2-2(a) the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Interagency Appraisal and Evaluation Guidelines; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; and the requirements of our client as we understand them.

We will provide three (3) original copies and an electronic copy of our appraisal in pdf format for a fee not to exceed \$9,500. Prepayment of the fee is required for us to commence our research. The fee includes a reasonable amount of post-delivery consultation. We estimate delivery to be within 4 weeks after receipt of the signed engagement letter and the retainer.

Should exceptional consultations, meetings, and/or expert testimony, or preparation for same, be required, these services will be performed at an additional fee based upon an hourly billing rate of \$200 per hour for an MAI, \$150 per hour for a Senior Appraiser, and \$75 per hour for Administrative assistants.

Please remit a signed copy of this engagement letter and the entire fee at your earliest convenience to indicate your agreement to these terms. Also, please provide any information that may be available such as legal descriptions, surveys with upland wetland configuration and acres, and any other property specific information that may be of benefit in developing our opinion of value.

Thank you for the opportunity to be of service.

Sincerely,



Robert G. Beaumont, Jr., MAI
State Certified General
Real Estate Appraiser RZ 384

Authorizing signature (Jim Harvey)

___ 3 Hard Copies (check if necessary)

Email address to send report: jharvey@kolter.com

Phone and Fax Numbers:	<u>813-615-1244, Ext 201</u>	<u>813-615-1461</u>
	Phone	Fax

STANDARD TERMS OF APPRAISAL ASSIGNMENT

Acceptance of this agreement assumes that our client will provide all necessary information needed for the appraisal on a timely and truthful basis.

It is your responsibility to read the report and to inform the appraiser of any errors or omissions of which you are aware, prior to utilizing the report or making it available to any third party.

The fee quoted is based on our understanding of the assignment as outlined in the scope of work. Changes in scope will be billed at our normal hourly rates. The fee and estimated completion time are subject to change if the property is not as outlined in our proposal, or if issues come to light during the course of our investigation which, in our opinion, necessitate such change. If the client places an assignment "on hold", then reactivates the appraisal, an additional charge may apply, due to inefficiency created. If we are requested or required to provide testimony as a result of this appraisal, testimony and preparation time will be charged at our normal hourly rates.

The Valbridge Property Advisors office responsible for the preparation of this report is independently owned and operated by Beaumont Matthes & Church, Inc. Valbridge Property Advisors, Inc. has not been engaged to provide this report, does not provide valuation services, and has taken no part in the preparation of this report.

If any claim is filed against any of Valbridge Property Advisors, Inc. a Florida Corporation, its affiliates, officers or employees, or the firm providing this report, in connection with, or in any way arising out of, or relating to, this report, or the engagement of the firm providing this report, then (1) under no circumstances shall such claimant be entitled to consequential, special or other damages, except only for direct compensatory damages and (2) the maximum amount of such compensatory damages recoverable by such claimant shall be the amount actually received by the firm engaged to provide this report.

This report and any associated work files are subject to evaluation by Valbridge Property Advisors, Inc. for quality control purposes. If Client is unwilling to waive confidentiality for this purpose, client must inform Beaumont Matthes & Church, Inc. upon acceptance of this assignment.

This appraisal shall be used only for the function outlined in the attached letter, unless expressly authorized by Valbridge Property Advisors | Beaumont Matthes & Church, Inc. The format and value reported may or may not be valid for other purposes.

Unless otherwise noted, the appraisal will value the property as though free of contamination. Valbridge Property Advisors | Beaumont Matthes & Church, Inc. will conduct no hazardous materials or contamination inspection of any kind. It is recommended that the client secure appropriate inspections from qualified experts if the presence of hazardous materials or contamination poses any concern.

Our standard payment policy is as follows: the balance is due upon presentation of the invoice; if payment is not made within 30 days of date due interest at the rate of 1.5% per month will be added to the principal from the due date to date payment is received, and you shall pay all expenses of collection, including court costs and attorney fees. If the client requests a draft, the fee is due upon delivery of the draft. Beaumont shall be under no obligation to continue work on an assignment that is not paid current.

STANDARD TERMS OF APPRAISAL ASSIGNMENT - (continued)

The fee for this appraisal is not contingent upon the valuation of the property, the funding of any loan or outcome of litigation. Any opinions we may have expressed about the outcome of your matter or case are expressions of our opinions only and do not constitute any guarantee about the outcome. Should the assignment be terminated prior to completion, you agree to pay for time and costs incurred prior to our receipt of written notice of cancellation.

If this assignment includes a provision for work performed on an hourly billing basis, such work is subject to periodic adjustment to our then-current rates. Valbridge | Beaumont shall provide 30 days' notice to client prior to any rate increase. If client chooses not to consent to the increased rates, client may terminate Valbridge | Beaumont's services by written notice effective when received by Valbridge | Beaumont.

If this assignment includes a provision for work on an hourly billing basis, client acknowledges that Valbridge | Beaumont has made no promises about the total amount of fees to be incurred by client under this agreement.

You and Valbridge Property Advisors | Beaumont Matthes & Church, Inc. both agree that any dispute over matters in excess of \$5,000 will be submitted for resolution by arbitration. This includes fee disputes and any claim of malpractice. The arbitrator shall be mutually selected. If Beaumont and the client cannot agree on the arbitrator, the presiding head of the Orange County Mediation & Arbitration panel shall select the arbitrator. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that, by agreeing to binding arbitration, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury. In the event that the client, or any other party entitled to do so, makes a claim against Beaumont or any of its employees in connection with or in any way relating to this assignment, the maximum damages recoverable from Valbridge | Beaumont or its employees shall be the amount of monies actually collected by Valbridge | Beaumont for this assignment and under no circumstances shall any claim for consequential damages be made.

Valbridge | Beaumont shall have no obligation, liability, or accountability to any third party. Any party who is not the "client" or intended user identified on the face of the appraisal or in the engagement letter is not entitled to rely upon the contents of the appraisal without the express written consent of Valbridge | Beaumont. "Client" shall not include partners, affiliates or relatives of the party named in the engagement letter. Client shall hold Valbridge | Beaumont and its employees harmless in the event of any lawsuit brought by any third party, lender, partner or part owner in any form of ownership or any other party as a result of this assignment. The client also agrees that in case of lawsuit arising from or in any way involving these appraisal services, client will hold Valbridge | Beaumont harmless from and against any liability, loss, cost or expense incurred or suffered by Valbridge | Beaumont in such action, regardless of its outcome.

Distribution of this report is at the sole discretion of the client, and we will make no distribution without the specific direction of the client. However, in no event shall client give a third party a partial copy of the appraisal report.

This agreement contains the entire agreement of the parties. No other agreement, statement or promise made on or before the effective date of this agreement will be binding on the parties. This agreement may be modified by subsequent agreement of the parties.



WALTER N. CARPENTER, JR., MAI, CRE
Cert Gen RZ1231
MARK G. CARPENTER, MAI
Cert Gen RZ935

October 20, 2016

Avalon Groves CDD
c/o Kolter Land Partners LLC
Mr. Jim Harvey
8875 Hidden River Parkway, Suite 150
Tampa, FL 33637

RE: Valuation Fee Quote
Avalon Groves Property – 985± Acres
Lake County, FL

Dear Mr. Harvey:

Thank you for your call and the opportunity to quote time and fee requirements for the valuation of the above referenced property. The purpose of this valuation will be to estimate the market value of the fee simple interest in the real estate as of a current date, based upon the Avalon Groves development plan “as if” the proposed Sawgrass Bay Road was completed.

The assignment shall be prepared for Avalon Groves CDD and is for the sole and exclusive use of same. We request that you seek our written authorization before releasing the report to any other party.

Pinel & Carpenter, Inc. proposes to complete the investigations, inspections, and analyses necessary to perform this appraisal and deliver three copies of our appraisal report within approximately four weeks from written authorization to proceed and receipt of all information requested. Our report will be presented in a summary format, containing the necessary descriptive data of the property, along with pertinent factual data and analysis necessary to convey our opinion of value.

The appraisal will be prepared in accordance with the Uniform Standards of Professional Appraisal Practice. Attached to this letter you will find a copy of our Statement of Limiting Conditions and Appraiser's Certification which are attached to all appraisals, prepared by this office. Please review and initial each attached page and return the executed copy to us indicating your acceptance and approval of our Limiting Conditions and Appraiser's Certification.

The appraisal will provide an allocated value of the property as to uplands and wetlands and the indicated value per acre.

The estimated completion date of the appraisal is November 23, 2016. We can only complete the appraisal by this date if we receive from you in a timely manner any relevant information needed for the preparation of the report. In order to complete this appraisal the following information will be needed.

- 1) Legal description of proposed right-of-way, previously provided.

Survey retaining size and site boundaries, if available.

Policy, if available.

Environmental Audit Phase I, if available.

Agreement agreement, if applicable.

Avalon

c/o Mr.

October

Page T

and telephone number of local contact person to arrange an inspection.

I will provide you with three copies of the appraisal report. Our fee for this appraisal

is \$4,300 payable upon receipt of the "WORK IN PROGRESS" report. This

includes the cost of certain expenses that may be incurred in the preparation of the

2)

3)

4)

5)

6)

My compensation for completing this assignment is not contingent upon the

reporting of a predetermined value or direction in value that favors the

client, the amount of the value opinion, the attainment of a stipulated result,

or the occurrence of a subsequent event directly related to the intended use of this

We will

will not

fee incl

report.

I will assist with the preparation of this appraisal upon receipt of a signed copy of

an initialed copy of the Statement of Limiting Conditions and Appraiser

I will provide you with the opportunity to be of service to you. If you have any further questions,

do not hesitate to contact us.

My co

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Sincerely,

PINEL & CARPENTER, INC.

We will

this lette

Certificat

We appr

please d

Walter N. Carpenter, Jr., MAI, CRE

President

Cert Gen RZ1231

Letter Accepted: _____

Date

WNC/jm

Attachm

Engager

is CDD

urvey

016

EXHIBIT 10

MEMORANDUM

To: Board of Supervisors
Avalon Groves Community Development District

From: Jere Earlywine

Date: September 12, 2016

Re: Prompt Payment Policies and Procedures

The purpose of this memorandum is to outline the Avalon Groves Community Development District's ("District") responsibilities under the Local Government Prompt Payment Act (Chapter 218, Part VII, Florida Statutes) ("Act"). The Act requires districts to establish procedures for marking payment requests or invoices as "received" and to establish dispute resolution procedures in the event a dispute occurs between a district and a contractor.

The accompanying proposed resolution and policy ("Prompt Payment Policies and Procedures") sets forth specific policies and procedures to ensure timely payment to vendors or contractors providing goods or services to the District and to provide guidance in contracting matters. The Prompt Payment Policies and Procedures will provide more protection for the District by establishing a process to deny and resolve instances of improper invoices such as an invoice for goods or services that fail to meet the contract requirements. As required by the Act, the Prompt Payment Policies and Procedures delineate the procedure for accepting and calculating the date of payment for construction services and non-construction goods and services.

If you have questions regarding the Prompt Payment Act, or the attached proposed Resolution and Prompt Payment Policies and Procedures, please do not hesitate to contact me.

RESOLUTION 2017-07

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT ADOPTING PROMPT PAYMENT POLICIES AND PROCEDURES PURSUANT TO CHAPTER 218, FLORIDA STATUTES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Avalon Groves Community Development District (the “District”) is a local unit of special-purpose government created and existing pursuant to Chapter 190, Florida Statutes, being situated in Lake County, Florida; and

WHEREAS, Chapter 218, Florida Statutes, requires timely payment to vendors and contractors providing certain goods and/or services to the District; and

WHEREAS, the Board of Supervisors of the District (the “Board”) accordingly finds that it is in the best interests of the District to establish by resolution the Prompt Payment Policies and Procedures attached hereto as **Exhibit A** for immediate use and application.

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

SECTION 1. The Prompt Payment Policies and Procedures attached hereto as **Exhibit A** are hereby adopted pursuant to this resolution as necessary for the conduct of District business. The Prompt Payment Policies and Procedures shall remain in full force and effect until such time as the Board may amend them; provided, however, that as the provisions of Chapter 218, Florida Statutes, are amended from time to time, the attached Prompt Payment Policies and Procedures shall automatically be amended to incorporate the new requirements of law without any further action by the Board.

SECTION 2. If any provision of this Resolution is held to be illegal or invalid, the other provisions shall remain in full force and effect. All District resolutions, policies or parts thereof in actual conflict with this Resolution are, to the extent of such conflict, superseded and repealed, except as noted below.

SECTION 3. This Resolution shall become effective upon its passage and shall remain in effect unless rescinded or repealed.

PASSED AND ADOPTED THIS ____ DAY OF _____, 2016.

ATTEST:

**AVALON GROVES COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

Chairman, Board of Supervisors

Exhibit A: Prompt Payment Policies and Procedures

AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT

Prompt Payment Policies and Procedures **In Accordance With the Local Government Prompt Payment Act** **Chapter 218, Part VII, Florida Statutes**

October 27, 2016

Avalon Groves Community Development District
Prompt Payment Policies and Procedures

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I. Purpose

In accordance with the Local Government Prompt Payment Act (Chapter 218, Part VII, Florida Statutes) (“PPA”), the purpose of the Avalon Groves Community Development District (“District”) Prompt Payment Policies and Procedures (“Policies & Procedures”) is to provide a specific policy to ensure timely payment to Vendors and Contractors (both hereinafter defined) providing goods and/or services to the District and ensure the timely receipt by the District of goods and/or services contemplated at the time of contracting. Please note that the PPA, like any statute or law, may be amended from time to time by legislative action. These Policies & Procedures are based on the statutory requirements as of the date identified on the cover page of this document. By this reference, as applicable statutory provisions subsequently change, these Policies & Procedures shall automatically be amended to incorporate the new requirements of law. These Policies & Procedures are adopted by the District to provide guidance in contracting matters. Failure by the District to comply with these Policies & Procedures shall not expand the rights or remedies of any Provider (hereinafter defined) against the District under the PPA. Nothing contained herein shall be interpreted as more restrictive on the District than what is provided for in the PPA.

II. Scope

These Policies & Procedures apply to all operations of the District, including Construction Services and Non-Construction Goods and Services, as applicable.

III. Definitions

A. Agent

The District-contracted architect, District-contracted engineer, District Manager, or other person, acting on behalf of the District, which is required by law or contract to review invoices or payment requests from Providers (hereinafter defined). Such individuals/entities must be identified in accordance with §218.735 (1), Fla. Stat., and further identified in the relevant agreement between the District and the Provider.

B. Construction Services

All labor, services, and materials provided in connection with the construction, alteration, repair, demolition, reconstruction, or other improvement to real property that require a license under parts I and II of Chapter 489, Fla. Stat.

C. Contractor or Provider of Construction Services

The entity or individual that provides Construction Services through direct contract with the District.

D. Date Stamped

Each original and revised invoice or payment request received by the District shall be marked electronically or manually, by use of a date stamp or other method, which date marking clearly indicates the date such invoice or payment request is first delivered to the District through its Agent. In the event that the

Agent receives an invoice or payment request, but fails to timely or physically mark on the document the date received, “Date Stamped” shall mean the date of actual receipt by the Agent.

E. Improper Invoice

An invoice that does not conform to the requirements of a Proper Invoice.

F. Improper Payment Request

A request for payment for Construction Services that does not conform to the requirements of a Proper Payment Request.

G. Non-Construction Goods and Services

All labor, services, goods and materials provided in connection with anything other than construction, alteration, repair, demolition, reconstruction, or other improvements to real property.

H. Proper Invoice

An invoice that conforms to all statutory requirements, all requirements of these Policies and Procedures not expressly waived by the District and any additional requirements included in the agreement for goods and/or services for which the invoice is submitted not expressly waived by the District.

I. Proper Payment Request

A request for payment for Construction Services which conforms to all statutory requirements, all requirements of these Policies & Procedures not expressly waived by the District and any additional requirements included in the Construction Services agreement for which the Payment Request is submitted not expressly waived by the District.

J. Provider

Includes any Vendor, Contractor or Provider of Construction Services, as defined herein.

K. Purchase

The purchase of goods, materials, services, or Construction Services; the purchase or lease of personal property; or the lease of real property by the District.

L. Vendor

Any person or entity that sells goods or services, sells or leases personal property, or leases real property directly to the District, not including Construction Services.

IV. Proper Invoice/Payment Request Requirements

A. General

Prior to Provider receiving payment from the District, Non-Construction Goods and Services and Construction Services, as applicable, shall be received and performed in accordance with contractual or other specifications or requirements to the satisfaction of the District. Provision or delivery of Non-Construction Goods and Services to the District does not constitute acceptance for the purpose of payment. Final acceptance and authorization of payment shall be made only after delivery and inspection by the Agent and the Agent's confirmation that the Non-Construction Goods and Services or Construction Services meet contract specifications and conditions. Should the Non-Construction Goods and Services or Construction Services differ in any respect from the specifications, payment may be withheld until such time as the Provider takes necessary corrective action. Certain limited exceptions which require payment in advance are permitted when authorized by the District Board of Supervisors ("Board") or when provided for in the applicable agreement.

B. Sales Tax

Providers should not include sales tax on any invoice or payment request. The District's current tax-exempt number is 85-8017014384C-9. A copy of the tax-exempt form will be supplied to Providers upon request.

C. Federal Identification and Social Security Numbers

Providers are paid using either a Federal Identification Number or Social Security Number. To receive payment, Providers should supply the District with the correct number as well as a proper Internal Revenue Service W-9 Form. The District Manager shall treat information provided in accordance with Florida law.

Providers should notify the District Manager when changes in data occur (telephone 1-321-263-0132 Ext. 4205, email patricia.comings-thibault@dpfg.com).

D. Proper Invoice for Non-Construction Goods and Services

All Non-Construction Goods and Services invoiced must be supplied or performed in accordance with the applicable purchase order (including any bid/proposal provided, if applicable) or agreement and such Non-Construction Goods and Services quantity and quality must be equal to or better than what is required by such terms. Unless otherwise specified in the applicable agreement, invoices should contain all of the following minimum information in order to be considered a Proper Invoice:

1. Name of Vendor
2. Remittance address
3. Invoice Date
4. Invoice number

5. The “Bill To” party must be the District or the Board, or other entity approved in writing by the Board of the District Manager
6. Project name (if applicable)
7. In addition to the information required in Section IV.D.1-6 above, invoices involving the purchase of goods should also contain:
 - a. A complete item description
 - b. Quantity purchased
 - c. Unit price(s)
 - d. Total price (for each item)
 - e. Total amount of invoice (all items)
 - f. The location and date(s) of delivery of the goods to the District
8. In addition to the information required in Section IV.D.1-6 above, invoices involving the purchase of services should also contain:
 - a. Itemized description of services performed
 - b. The location and date of delivery of the services to the District
 - c. Billing method for services performed (i.e., approved hourly rates, percentage of completion, cost plus fixed fee, direct/actual costs, etc.)
 - d. Itemization of other direct, reimbursable costs (including description and amount)
 - e. Copies of invoices for other direct, reimbursable costs (other than incidental costs such as copying) and one (1) of the following:
 - i. Copy of both sides of a cancelled check evidencing payment for costs submitted for reimbursement
 - ii. Paid receipt
 - iii. Waiver/lien release from subcontractor (if applicable)
9. Any applicable discounts
10. Any other information or documentation, which may be required or specified under the terms of the purchase order or agreement

E. Proper Payment Request Requirements for Construction Services

Payment Requests must conform to all requirements of Section IV.A.-D., above, unless otherwise specified in the terms of the applicable agreement or purchase order between the District and the Contractor.

V. Submission of Invoices and Payment Requests

The Provider shall submit all Invoices and Payment Requests for both Construction Services and Non-Construction Goods and Services to the District’s Agent as provided in the purchase order or agreement, as applicable, and to the District Manager as follows:

Submit the invoice and/or payment request, with required additional material and in conformance with these Policies and Procedures, by mail, by hand delivery, or via email (Note: email is the preferred method for receipt of Non-Construction Goods and Services invoices).

1. **Mailing and Drop Off Address**
Development Planning and Financing Group
c/o Patricia Comings-Thibault
1060 Maitland Center Commons Blvd. Suite 340
Maitland, Florida 32751
2. **Email Address**
Patricia.comings-thibault@dpfg.com

VI. Calculation of Payment Due Date

A. Non-Construction Goods and Services Invoices

1. **Receipt of Proper Invoice**
Payment is due from the District forty-five (45) days from the date on which a Proper Invoice is Date Stamped.
2. **Receipt of Improper Invoice**
If an Improper Invoice is received, a required invoice is not received, or invoicing of a request for payment is not required, the time when payment is due from the District is forty-five (45) days from the latest date of the following:
 - a. On which delivery of personal property is fully accepted by the District;
 - b. On which services are completed and accepted by the District;
 - c. On which the contracted rental period begins (if applicable); or
 - d. On which the District and the Vendor agree in a written agreement that provides payment due dates.
3. **Rejection of an Improper Invoice**
The District may reject an Improper Invoice. Within ten (10) days of receipt of the Improper Invoice by the District, the Vendor must be notified that the invoice is improper and be given an opportunity to correct the deficient or missing information, remedy the faulty work, replace the defective goods, or take other necessary, remedial action.

The District's rejection of an Improper Invoice must:

1. Be provided in writing;
2. Specify any and all known deficiencies; and
3. State actions necessary to correct the Improper Invoice.

If the Vendor submits a corrected invoice, which corrects the deficiencies specified in the District's written rejection, the District must pay the corrected invoice within the later of: (a) ten (10) business days after date the corrected invoice is Date Stamped; or (b) forty-five (45) days after the date the Improper Invoice was Date Stamped.

If the Vendor submits an invoice in response to the District's written rejection which fails to correct the deficiencies specified or continues to be an Improper Invoice, the District must reject that invoice as stated herein.

4. Payment of Undisputed Portion of Invoice

If the District disputes a portion of an invoice, the undisputed portion shall be paid in a timely manner and in accordance with the due dates for payment as specified in these Policies & Procedures.

B. Payment Requests for Construction Services

1. Receipt of Proper Payment Request

The time at which payment is due for Construction Services from the District is as follows:

a. If an Agent must approve the payment request before it is submitted to the District Manager, payment (whether full or partial) is due twenty-five (25) business days after the payment request is Date Stamped. The Contractor may send the District an overdue notice. If the payment request is not rejected within four (4) business days after Date Stamp of the overdue notice, the payment request shall be deemed accepted, except for any portion of the payment request that is fraudulent, misleading or is the subject of dispute.

The agreement between the District and the Contractor shall identify the Agent to which the Contractor shall submit its payment request, or shall be provided by the District through a separate written notice no later than ten (10) days after contract award or notice to proceed, whichever is later. Contractor's submission of a payment request to the Agent shall be Date Stamped, which shall commence the time periods for payment or rejection of a payment request or invoice as provided in this section.

b. If, pursuant to contract, an Agent is not required to approve the payment request submitted to the District, payment is due twenty (20) business days after the payment request is Date Stamped unless such payment request includes fraudulent or misleading information or is the subject of dispute.

2. Receipt and Rejection of Improper Payment Request

a. If an Improper Payment Request is received, the District must reject the Improper Payment Request within twenty (20) business days after the date on which the payment request is Date Stamped.

b. The District's rejection of the Improper Payment Request must:

1. Be provided in writing;
2. Specify any and all known deficiencies; and

3. State actions necessary to correct the Improper Invoice.

c. If a Contractor submits a payment request which corrects the deficiency specified in the District's written rejection, the District must pay or reject the corrected submission no later than ten (10) business days after the date the corrected payment request is Date Stamped.

3. Payment of Undisputed Portion of Payment Request

If the District disputes a portion of a payment request, the undisputed portion shall be paid in a timely manner and in accordance with the due dates for payment as specified in this section.

VII. Resolution of Disputes

If a dispute arises between a Provider and the District concerning payment of an invoice or payment request, the dispute shall be resolved as set forth in § 218.735, Fla. Stat., for Construction Services, and § 218.76, Fla. Stat. for Non-Construction Goods and Services.

A. Dispute between the District and a Contractor

If a dispute between the District and a Contractor cannot be resolved following resubmission of a payment request by the Contractor, the dispute must be resolved in accordance with the dispute resolution procedure prescribed in the construction contract, if any. In the absence of a prescribed procedure in the contract, the dispute must be resolved by the procedures specified below.

B. Dispute Resolution Procedures

1. If an Improper Payment Request or Improper Invoice is submitted, and the Provider refuses or fails to submit a revised payment request or invoice as contemplated by the PPA and these Policies and Procedures, the Provider shall, not later than thirty (30) days after the date on which the last payment request or invoice was Date Stamped, submit a written statement via certified mail to the Agent, copying the District Manager, specifying the basis upon which the Provider contends the last submitted payment request or invoice was proper.
2. Within forty-five (45) days of receipt by the Agent and District Manager of the disputed, last-submitted payment request or invoice, the Agent and/or District Manager shall commence investigation of the dispute and render a final decision on the matter no later than sixty (60) days after the date on which the last-submitted payment request or invoice is Date Stamped.
3. Absent a written agreement to the contrary, if the Provider refuses or fails to provide the written statement required above, the Agent and/or District Manager is not required to contact the Provider in the investigation. In

addition, and absent a written agreement to the contrary, if such written statement is not provided, the District may immediately contract with third parties to provide the goods and services subject to the dispute and deduct the costs of such third party purchases from amounts owed to the Provider.

4. The Board shall approve any decision of the District Manager to contract with a third party which would result in: 1) an expenditure above what is budgeted for the Construction Services or Non-Construction Services; or 2) an expenditure which exceeds the original contract amount for the Construction Services or Non-Construction Services by more than ten percent (10%) or Ten Thousand Dollars (\$10,000).
5. A written explanation of the final decision shall be sent to the Provider, via certified mail, within five (5) business days from the date on which such final decision is made. A copy of the written explanation of the final decision shall be provided to the Chairperson of the Board simultaneously with the certified mailing to the Provider.
6. If a Provider does not accept in writing the final decision within five (5) days after receipt by the Provider, the District may immediately contract with third parties to provide the goods and services subject to the dispute and deduct the costs of such third party purchases from amounts owed to the Provider. If the costs of the third party purchases exceed the amount the District owes to the Provider, the District may seek to recover such excess from the Provider in a court of law or as otherwise provided in an agreement between the District and the Provider. Nothing contained herein shall limit or affect the District's ability to enforce all of its legal and contractual rights and remedies against the Provider.

VIII. Purchases Involving Federal Funds or Bond Funds

When the District intends to pay for a purchase with federal funds or bond funds, the District shall make such purchases only upon reasonable assurances that federal funds or bond funds sufficient to cover the cost will be received. When payment is contingent upon the receipt of bond funds, federal funds or federal approval, the public procurement documents and any agreement with a Provider shall clearly state such contingency. (§ 218.77, Fla. Stat.).

IX. Requirements for Construction Services Contracts – Project Completion; Retainage

The District intends to follow the PPA requirements for construction project completion and retainage, including, but not limited to, § 218.735 (7) and (8), Fla. Stat.

X. Late Payment Interest Charges

Failure on the part of the District to make timely payments may result in District responsibility for late payment interest charges. No agreement between the District and a Provider may prohibit the collection of late payment interest charges allowable under the PPA as mandatory interest. (§218.75, Fla. Stat.).

A. Related to Non-Construction Goods and Services

All payments due from the District, and not made within the time specified within this policy, will bear interest, from thirty (30) days after the due date, at the rate of one percent (1%) per month on the unpaid balance. The Vendor must submit a Proper Invoice to the District for any interest accrued in order to receive the interest payment. (§ 218.74 (4), Fla. Stat.).

An overdue period of less than one (1) month is considered as one (1) month in computing interest. Unpaid interest is compounded monthly. The term one (1) month means a period beginning on any day of a month and ending on the same day of the following month.

B. Related to Construction Services

All payments for Construction Services that are not made within the time periods specified within the applicable statute, shall bear interest from thirty (30) days after the due date, at the rate of one percent (1%) per month, or the rate specified by agreement, whichever is greater. The Contractor must submit a Proper Payment Request to the District for any interest accrued in order to receive the interest payment. An overdue period of less than one (1) month is considered as one (1) month in computing interest. (§ 218.735 (8)(i), Fla. Stat.).

Unpaid interest is compounded monthly. The term one (1) month means a period beginning on any day of a month and ending on the same day of the following month.

C. Report of Interest

If the total amount of interest paid during the preceding fiscal year exceeds \$250, the District Manager is required to submit a report to the Board during December of each year, stating the number of interest payments made and the total amount of such payments. (§ 218.78, Fla. Stat.).