



DPFG Management & Consulting, LLC

***AVALON GROVES COMMUNITY DEVELOPMENT
DISTRICT***

Agenda Package

Regular Meeting

Date & Time:

Thursday

July 25, 2019

11:30 a.m.

Location:

17555 Sawgrass Bay Blvd

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

DPFG Management & Consulting, LLC

[X] 250 International Parkway, Suite 280
Lake Mary FL 32746
(321) 263-0132 Ext. 4205

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

July 19, 2019

Board of Supervisors
Avalon Groves Community Development District

Dear Board Members:

The Regular Meeting of the Board of Supervisors of the Avalon Groves Community Development District is scheduled for **Thursday, July 25, 2019 at 11:30 a.m.** at the Amenity Center located at 17555 Sawgrass Bay Blvd, Clermont FL

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

AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT

Date of Meeting: **Thursday, July 25, 2019**
 Time: 11:30 AM
 Location: Avalon Groves Amenity Center
 17555 Sawgrass Bay Blvd.
 Clermont, FL 34714

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

Agenda

I. Roll Call

II. Audience Comments (Limited to three minutes on agenda items)

III. Administrative Matters

- | | |
|--|-----------|
| A. Aquatic Systems Waterway Inspection Report | Exhibit 1 |
| B. Approval of Minutes of June 27, 2019 Meeting | Exhibit 2 |
| C. Acceptance of the Unaudited June, 2019 Financials | Exhibit 3 |
| D. Presentation of the July Field Operations Report | Exhibit 4 |

IV. Business Items

- | | |
|--|-----------|
| A. Consideration for Adoption Resolution 2019-06, Establishing & Confirming the Maximum Assessment Lien Securing the Series 2019 Bonds | Exhibit 5 |
| ➤ Engineer’s Supplemental Report – dated July 19, 2019 ➤ Special Assessment Methodology Report – dated July 9, 2019 | |
| B. Consideration of True Up Agreement Between Avalon Groves CDD & Forestar Real Estate Group – <i>In Substantial Form</i> | Exhibit 6 |
| C. Consideration of 2019 Acquisition Agreement (Phases 1 – 4 Sub-Assessment Area One) between Avalon Groves CDD & Forestar Real Estate Group – <i>In Substantial Form</i> | Exhibit 7 |
| D. Consideration of Letter Agreement for Acquisitions of Palms at Serenoa Stormwater Improvements between Avalon Groves CDD & Forestar Real Estate Group – <i>In Substantial Form</i> | Exhibit 8 |

IV. Business Items (continued)

E. Consideration of Special Warranty Deed between Avalon Groves
CDD & Forestar Real Estate Group – *In Substantial Form*

Exhibit 9

F. Consideration of Aquatic Systems Contract Renewal

Exhibit 10

V. Audience Comments (New Business)

VI. Staff Reports

A. Manager

B. District Counsel

C. Amenity Manager

VII. Supervisors Requests

VIII. Adjournment

EXHIBIT 1



Avalon Grove CDD

Waterway Inspection Report

Reason for Inspection: Routine Scheduled

Inspection Date: 7/8/2019

Prepared for:

Patricia Comings-Thibault
DPFG
250 International Parkway, Suite 280
Lake Mary, FL 32746

Prepared by:

Jessica Jones, Account Representative
Aquatic Systems, Inc. Sanford Field Office
Corporate Headquarters
2100 N.W. 33rd Street, Pompano Beach, FL 33069
1-800-432-4302

Site: 8



Comments: Normal growth observed

Pond is clear of submerged vegetation and algal growth. Some shoreline grasses present.

Site: 13



Comments: Site looks good

Pond is clear of submerged vegetation, shoreline grasses, and algal growth. Some grass clippings and other organic matter floating in pond.

Site: 14



Comments: Site looks good

Pond is clear of submerged vegetation, shoreline grasses, and algal growth. Some grass clippings and other organic matter floating in pond.

Site: 3



Comments: Site looks good

Pond is clear of submerged vegetation, shoreline grasses, and algal growth.

Site: 4



Comments: Site looks good

Pond is clear of submerged vegetation, shoreline grasses, and algal growth.

Site: 5



Comments: Site looks good

Pond is clear of submerged vegetation, shoreline grasses, and algal growth.

Site: 6



Comments: Site looks good

Pond is clear of submerged vegetation, shoreline grasses, and algal growth.

Site: 7



Comments: Site looks good

Pond is clear of submerged vegetation, shoreline grasses, and algal growth.

Site: 15



Comments: Site looks good
Pond is clear of submerged vegetation, shoreline grasses, and algal growth.

Site: 12



Comments: Normal growth observed
Pond is clear of submerged vegetation and shoreline grasses. Some algal growth present around ponds perimeter.

Site: 11



Comments: Site looks good

Pond is clear of submerged vegetation, shoreline grasses, and algal growth.

Site: 9



Comments: Site looks good

Pond is clear of submerged vegetation, shoreline grasses, and algal growth.

Site: 10



Comments: Site looks good

Pond is clear of submerged vegetation, shoreline grasses, and algal growth.

Site: 2



Comments: Site looks good

Pond is clear of submerged vegetation, shoreline grasses, and algal growth.

Site: 1



Comments: Site looks good

Pond is clear of submerged vegetation, shoreline grasses, and algal growth.

Site:

Comments:

Management Summary

All lakes appear to be well maintained.

Recommendations/Action Items

Continue with routine monthly treatment.



EXHIBIT 2

38 A. Exhibit 5: Presentation of the Engineers Report – Dated May 31, 2019

39 On a MOTION by Mr. Walker, SECONDED by Mr. Meath, WITH ALL IN FAVOR, the
40 Board approved in substantial form the Engineer’s Report from May 31, 2019 for the Avalon Groves
41 Community Development District.

42 B. Exhibit 6: Presentation of the Assessment Methodology Report – Dated June 7, 2019

43 On a MOTION by Mr. Meath, SECONDED by Mr. Walker, WITH ALL IN FAVOR, the
44 Board approved in substantial form the Assessment Methodology Report from June 7, 2019 for the
45 Avalon Groves Community Development District.

46 C. Exhibit 7: Consideration for Adoption **Resolution 2019-04**, Delegation Resolution

- 47 ➤ Form of Bond Purchase Contract – Resolution Exhibit A – Draft 2
- 48 ➤ Draft Copy of Preliminary Offering Memorandum – Resolution Exhibit B – Draft 2
- 49 ➤ Form of Continuing Disclosure Agreement – Resolution Exhibit C – Draft 3
- 50 ➤ Form of Fourth Supplemental Truth Indenture – Resolution Exhibit D – Dated as July 1, 2019

51 On a MOTION by Mr. Meath, SECONDED by Ms. Smith, WITH ALL IN FAVOR, the Board adopted
52 Resolution 2019-04 Delegation Resolution for the Avalon Groves Community Development District.

53 D. Exhibit 8: Consideration of Campus Suite Proposal for ADA Website

54 On a MOTION by Ms. Smith, SECONDED by Mr. Walker, WITH ALL IN FAVOR, the Board approved
55 the Campus Suite Proposal for ADA Website for the Avalon Groves Community Development District.

56 E. Exhibit 9: Consideration for Adoption **Resolution 2019-05**, Authorizing a Website Accessibility
57 Policy & Disclosure Statement

58 On a MOTION by Mr. Meath, SECONDED by Mr. Walker, WITH ALL IN FAVOR, the Board adopted
59 Resolution 2019-05 Authorizing a Website Accessibility Policy & Disclosure Statement for the Avalon
60 Groves Community Development District.

61 F. Exhibit 10: Presentation of the FY 2018 Audited Financial Statements

62 On a MOTION by Mr. Meath, SECONDED by Ms. Smith, WITH ALL IN FAVOR, the Board accepted
63 the FY 2018 Audited Financial Statements for the Avalon Groves Community Development District.

64 **FIFTH ORDER OF BUSINESS – Audience Comments (New Business)**

65 There being none, the next item followed.

66 **SIXTH ORDER OF BUSINESS – Staff Reports**

67 A. Manager

68 There being none, the next item followed.

69 B. District Counsel

70 There being none, the next item followed.

71 C. Amenity Manager

72 There being none, the next item followed.

73 **SEVENTH ORDER OF BUSINESS – Supervisors Requests**

74 There being none, the next item followed.

75 **EIGHTH ORDER OF BUSINESS – Adjournment**

76 Ms. Comings-Thibault asked for final questions, comments, or corrections before adjourning the
77 meeting. There being none, Mr. Meath made a motion to adjourn the meeting.

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

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

83

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

86

Signature

Signature

87

Printed Name

Printed Name

88

89 **Title:** **Secretary** **Assistant Secretary**

Title: **Chairman** **Vice Chairman**

EXHIBIT 3

Avalon Groves Community Development District

Summary Financial Statements
(Unaudited)

Period Ending
June 30, 2019

**Avalon Groves Community Development District
Balance Sheet
Unaudited
June 30, 2019**

| | <u>GENERAL FUND</u> | <u>2017 (AA1)</u> | <u>2017A-1 (AA2)</u> | <u>2017A-2 (AA2)</u> | <u>CIP (AA1)</u> | <u>CIP A-1 (AA2)</u> | <u>CIP A-2 (AA2)</u> | <u>TOTAL</u> |
|---|--------------------------|--------------------------|--------------------------|----------------------------|-------------------------|------------------------|--------------------------|----------------------------|
| <u>ASSETS:</u> | | | | | | | | |
| CASH | \$ 21,911 | \$ - | \$ - | \$ - | \$ - | \$ 20 | \$ - | \$ 21,931 |
| INVESTMENTS: | | | | | | | | |
| REVENUE FUND | - | 1,116 | 78,579 | 10,104 | - | - | - | 89,799 |
| CAP INTEREST | - | 39 | 14 | 3 | - | - | - | 56 |
| DS RESERVE | - | 173,137 | 526,327 | 265,541 | - | - | - | 965,005 |
| COST OF ISSUANCE | - | 2 | - | - | - | - | - | 2 |
| PREPAYMENT ACCOUNT | - | - | 30,056 | 906,393 | - | - | - | 936,449 |
| SINK FUND ACCT (AA2) | - | - | 6 | - | - | - | - | 6 |
| ACQ. & CONST. 2017 (AA1) | - | - | - | - | 30,083 | - | - | 30,083 |
| ACQ. & CONST. 2017A-1 (AA2) | - | - | - | - | - | 4,433 | - | 4,433 |
| ACQ. & CONST. 2017A-2 (AA2) | - | - | - | - | - | - | 105,558 | 105,558 |
| PREPAID ITEMS | - | - | - | - | - | - | - | - |
| ACCOUNTS RECEIVABLE | - | - | 3,579 | - | 8,592 | - | - | 12,171 |
| OFF ROLL - RECEIVABLE ASSMT. | 94,260 | - | - | - | - | - | - | 94,260 |
| DEPOSITS | 27,289 | - | - | - | - | - | - | 27,289 |
| TOTAL ASSETS | <u>\$ 143,460</u> | <u>\$ 174,294</u> | <u>\$ 638,561</u> | <u>\$ 1,182,041</u> | <u>\$ 38,675</u> | <u>\$ 4,453</u> | <u>\$ 105,558</u> | <u>\$ 2,287,042</u> |
| <u>LIABILITIES:</u> | | | | | | | | |
| ACCOUNTS PAYABLE | \$ 4,744 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 4,744 |
| DUE TO DEBT SERVICE | 3,579 | - | - | - | - | - | - | 3,579 |
| DUE TO CONSTRUCTION | 8,592 | - | - | - | - | - | - | 8,592 |
| OFF ROLL - DEFERRED REVENUE | 94,260 | - | - | - | - | - | - | 94,260 |
| RETAINAGE PAYABLE | - | - | - | - | - | - | - | - |
| <u>FUND BALANCE:</u> | | | | | | | | |
| NONSPENDABLE: | | | | | | | | |
| PREPAID AND DEPOSITS | 27,289 | - | - | - | - | - | - | 27,289 |
| ASSIGNED: | | | | | | | | |
| OPERATING RESERVES | - | - | - | - | - | - | - | - |
| RESERVES - ROADWAYS | - | - | - | - | - | - | - | - |
| UNASSIGNED: | 4,996 | 174,294 | 638,561 | 1,182,041 | 38,675 | 4,453 | 105,558 | 2,148,578 |
| TOTAL LIABILITIES & FUND BALANCE | <u>\$ 143,460</u> | <u>\$ 174,294</u> | <u>\$ 638,561</u> | <u>\$ 1,182,041</u> | <u>\$ 38,675</u> | <u>\$ 4,453</u> | <u>\$ 105,558</u> | <u>\$ 2,287,042</u> |

Avalon Groves Community Development District
Statement of Revenue, Expenditures And Change In Fund Balance
For The Period Ending June 30, 2019

| | FY2019 ADOPTED BUDGET | BUDGET YEAR-TO-DATE | ACTUAL YEAR-TO-DATE | VARIANCE FAVORABLE (UNFAVORABLE) |
|--|-----------------------------|------------------------|------------------------|--|
| REVENUES | | | | |
| SPECIAL ASSESSMENTS (LANDOWNER OFF-ROLL) | \$ 320,435 | 240,326 | \$ 222,276 | \$ (18,050) |
| MISC. REVENUE | - | - | 7 | 7 |
| TOTAL REVENUES | 320,435 | 240,326 | 222,283 | (18,043) |
| EXPENDITURES | | | | |
| GENERAL ADMINISTRATIVE | | | | |
| DISTRICT MANAGEMENT SERVICES | 32,000 | 32,000 | 32,000 | - |
| DISTRICT ACCOUNTING SERVICES | - | - | - | - |
| BANK FEES | 150 | 113 | - | 113 |
| AUDITING | 2,500 | 1,875 | 2,750 | (875) |
| REGULATORY & PERMIT FEES | 175 | 175 | 175 | - |
| LEGAL ADVERTISEMENTS | 4,000 | 3,000 | 390 | 2,610 |
| ENGINEERING SERVICES | 12,000 | 9,000 | 5,850 | 3,150 |
| LEGAL SERVICES | 25,000 | 18,750 | 15,810 | 2,940 |
| TECHNOLOGY & WEBSITE ADMIN. | 960 | 960 | 2,360 | (1,400) |
| MISCELLANEOUS (appraisal, etc.) | 500 | 375 | 50 | 325 |
| TOTAL GENERAL ADMINISTRATIVE | 77,285 | 66,248 | 59,385 | 6,863 |
| INSURANCE | | | | |
| INSURANCE | 5,830 | 5,000 | 5,000 | - |
| TOTAL INSURANCE | 5,830 | 5,000 | 5,000 | - |
| DEBT SERVICE ADMIN. | | | | |
| DISCLOSURE REPORT | 5,000 | 5,000 | 5,000 | - |
| ARBITRAGE REBATE | 1,500 | 650 | 650 | - |
| TRUSTEE FEES | 7,500 | 7,500 | 10,500 | (3,000) |
| TOTAL DEBT ADMINISTRATION | 14,000 | 13,150 | 16,150 | (3,000) |
| UTILITIES | | | | |
| UTILITIES-ELECTRICITY | 2,500 | 1,875 | 405 | 1,470 |
| STREETLIGHTS | 68,400 | 51,300 | - | 51,300 |
| UTILITY CONTINGENCY | 5,000 | 3,750 | - | 3,750 |
| TOTAL UTILITIES | 75,900 | 56,925 | 405 | 56,520 |
| PHYSICAL ENVIRONMENT | | | | |
| LAKE & POND MAINTENANCE | 6,420 | 6,420 | 8,485 | (2,065) |
| LANDSCAPE MAINTENANCE | 106,000 | 79,500 | 76,408 | 3,092 |
| LANDSCAPE - MISC. | 5,000 | 3,750 | - | 3,750 |
| WETLAND MITIGATION & MAINTENANCE | 14,000 | 14,000 | 19,400 | (5,400) |
| FIELD MANAGEMENT | 6,000 | 4,500 | - | 4,500 |
| FIELD CONTINGENCY | 5,000 | 5,000 | 14,634 | (9,634) |
| HARDSCAPE REPAIRS & MAINT. | 5,000 | 3,750 | - | 3,750 |
| BUILDOUT CONTINGENCY | - | - | - | - |
| TOTAL PHYSICAL ENVIRONMENT EXPENDITURES | 147,420 | 116,920 | 118,927 | (2,007) |
| TOTAL EXPENDITURES | 320,435 | 258,243 | 199,867 | 58,376 |
| EXCESS OF REVENUE OVER (UNDER) EXPENDITURES | - | (17,916) | 22,416 | 40,332 |
| FUND BALANCE - BEGINNING | - | - | 9,868 | - |
| FUND BALANCE - ENDING | \$ - | \$ (17,916) | \$ 32,284 | \$ 40,332 |

Avalon Groves Community Development District
SERIES 2017A-1 (AA1)
For The Period Starting October 1, 2017 Ending June 30, 2019

| | <u>FY2019 ADOPTED BUDGET</u> | <u>BUDGET YEAR-TO-DATE</u> | <u>ACTUAL YEAR-TO-DATE</u> | <u>VARIANCE FAVORABLE (UNFAVORABLE)</u> |
|--|--------------------------------------|--------------------------------|--------------------------------|---|
| REVENUE | | | | |
| SPECIAL ASSESSMENTS - ON/OFF ROLL INTEREST | \$ 185,153 | 111,092 | \$ 81,940 | \$ (29,152) |
| LESS: DISCOUNT ASSESSMENTS (4%) | - | - | 3,363 | 3,363 |
| | <u>(7,715)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| TOTAL REVENUE | <u>177,438</u> | <u>111,092</u> | <u>85,303</u> | <u>(25,789)</u> |
| EXPENDITURES | | | | |
| COUNTY - ASSESSMENT COLLECTION FEES | 7,715 | - | - | - |
| INTEREST EXPENSE | | | - | - |
| MAY 1, 2019 | 67,856 | 67,856 | 67,856 | - |
| NOVEMBER 1, 2019 | 66,981 | 66,981 | 67,856 | (875) |
| PRINCIPAL RETIREMENT | | | | |
| MAY 1, 2019 | 35,000 | 35,000 | 35,000 | - |
| TOTAL EXPENDITURES | <u>177,552</u> | <u>169,837</u> | <u>170,712</u> | <u>(875)</u> |
| EXCESS REVENUE OVER (UNDER) EXPEND. | (114) | (58,745) | (85,409) | (24,914) |
| TRANSFER IN | | | | |
| TRANSFER OUT | | | (1,419) | |
| FUND BALANCE - BEGINNING | | - | 261,124 | 261,124 |
| FUND BALANCE - ENDING | <u>\$ (114.00)</u> | <u>\$ (58,745)</u> | <u>\$ 174,296</u> | <u>\$ 236,210</u> |

Avalon Groves Community Development District
SERIES 2017A-1 (AA2)
For The Period Starting October 1, 2017 Ending June 30, 2019

| | <u>FY2019 ADOPTED BUDGET</u> | <u>BUDGET YEAR-TO-DATE</u> | <u>ACTUAL YEAR-TO-DATE</u> | <u>VARIANCE FAVORABLE (UNFAVORABLE)</u> |
|--|--------------------------------------|--------------------------------|--------------------------------|---|
| REVENUE | | | | |
| SPECIAL ASSESSMENTS - ON/OFF ROLL INTEREST | \$ 559,241 | 391,469 | \$ 335,348 | \$ (56,121) |
| LESS: DISCOUNT ASSESSMENTS (4%) | - | - | 11,328 | 11,328 |
| | <u>(23,302)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| TOTAL REVENUE | <u>535,939</u> | <u>391,469</u> | <u>346,676</u> | <u>(44,793)</u> |
| EXPENDITURES | | | | |
| COUNTY - ASSESSMENT COLLECTION FEES (3.5%) | 23,302 | - | - | - |
| INTEREST EXPENSE | | | | |
| MAY 1, 2019 | 212,684 | 212,684 | 212,684 | - |
| NOVEMBER 1, 2019 | 210,131 | 210,131 | 212,684 | (2,553) |
| PRINCIPAL RETIREMENT | | | | |
| MAY 1, 2019 | 95,000 | 95,000 | 95,000 | - |
| TOTAL EXPENDITURES | <u>541,117</u> | <u>517,815</u> | <u>520,368</u> | <u>(2,553)</u> |
| EXCESS REVENUE OVER (UNDER) EXPEND. | (5,178) | (126,346) | (173,692) | (42,240) |
| TRANSFER IN | | | | |
| TRANSFER OUT | | | (4,314) | |
| FUND BALANCE - BEGINNING | | - | 816,567 | 816,567 |
| FUND BALANCE - ENDING | <u>\$ (5,178.00)</u> | <u>\$ (126,346)</u> | <u>\$ 638,561</u> | <u>\$ 774,327</u> |

Avalon Groves Community Development District
SERIES 2017A-2 (AA2)
For The Period Starting October 1, 2017 Ending June 30, 2019

| | <u>FY2019 ADOPTED BUDGET</u> | <u>BUDGET YEAR-TO-DATE</u> | <u>ACTUAL YEAR-TO-DATE</u> | <u>VARIANCE FAVORABLE (UNFAVORABLE)</u> |
|--|--------------------------------------|--------------------------------|--------------------------------|---|
| REVENUE | | | | |
| SPECIAL ASSESSMENTS - ON/OFF ROLL INTEREST | \$ 241,958 | 241,958 | \$ 2,337,480 | \$ 2,095,522 |
| LESS: DISCOUNT ASSESSMENTS (4%) | - | - | 18,235 | 18,235 |
| | (10,082) | - | - | - |
| TOTAL REVENUE | <u>231,876</u> | <u>241,958</u> | <u>2,355,715</u> | <u>2,113,757</u> |
| EXPENDITURES | | | | |
| COUNTY - ASSESSMENT COLLECTION FEES | 10,082 | - | - | - |
| INTEREST EXPENSE | | | - | |
| MAY 1, 2019 | 111,300 | 111,300 | - | 111,300 |
| NOVEMBER 1, 2019 | 111,300 | 111,300 | 1,368,725 | (1,257,425) |
| PRINCIPAL PREPAYMENT | | | | |
| MAY 1, 2019 | - | - | 1,405,000 | (1,405,000) |
| TOTAL EXPENDITURES | <u>232,682</u> | <u>222,600</u> | <u>2,773,725</u> | <u>(2,551,125)</u> |
| EXCESS REVENUE OVER (UNDER) EXPEND. | (806) | 19,358 | (418,010) | 4,664,882 |
| TRANSFER IN | | | | |
| TRANSFER OUT | | | (4,992) | |
| FUND BALANCE - BEGINNING | | - | 1,605,042 | 1,605,042 |
| FUND BALANCE - ENDING | <u>\$ (806.00)</u> | <u>\$ 19,358</u> | <u>\$ 1,182,040</u> | <u>\$ 6,269,924</u> |

Avalon Groves Community Development District
Construction In Progress (AA1)
Statement of Revenue, Expenditures And Changes In Fund Balance
For The Period Ending June 30, 2019

| | <u>ACTUAL YEAR-TO-DATE</u> |
|--|------------------------------------|
| REVENUES | |
| BOND PROCEEDS | \$ - |
| NET PROCEEDS | 8,592 |
| INTEREST | 2,116 |
| TOTAL REVENUES | <u>10,708</u> |
| EXPENDITURES | |
| REQUISITIONS | 42,036 |
| TRUSTEE FEES | - |
| TOTAL EXPENSE | <u>42,036</u> |
| TOTAL EXPENDITURES | <u>42,036</u> |
| EXCESS OF REVENUE OVER (UNDER) EXPENDITURES | (31,328) |
| TRANSFER IN | 1,419 |
| TRANSFER OUT | - |
| FUND BALANCE - BEGINNING | 68,584 |
| FUND BALANCE - ENDING | <u><u>\$ 38,675</u></u> |

Avalon Groves Community Development District
Construction In Progress A-1 (AA2)
Statement of Revenue, Expenditures And Changes In Fund Balance
For The Period Ending June 30, 2019

| | <u>ACTUAL YEAR-TO-DATE</u> |
|--|--------------------------------|
| REVENUES | |
| BOND PROCEEDS | \$ - |
| INTEREST | 60 |
| TOTAL REVENUES | <u>60</u> |
| EXPENDITURES | |
| CONSTRUCTION IN PROGRESS | - |
| TRUSTEE FEES | - |
| TOTAL EXPENSE | <u>-</u> |
| TOTAL EXPENDITURES | <u>-</u> |
| EXCESS OF REVENUE OVER (UNDER) EXPENDITURES | 60 |
| TRANSFER IN | 4,314 |
| TRANSFER OUT | - |
| FUND BALANCE - BEGINNING | 79 |
| FUND BALANCE - ENDING | <u><u>\$ 4,453</u></u> |

Avalon Groves Community Development District
Construction In Progress A-2 (AA2)
Statement of Revenue, Expenditures And Changes In Fund Balance
For The Period Ending June 30, 2019

| | <u>ACTUAL YEAR-TO-DATE</u> |
|--|--------------------------------|
| REVENUES | |
| DEVELOPER FUNDING | - |
| INSURANCE CLAIM | \$ - |
| INTEREST | 4,192 |
| TOTAL REVENUES | <u>4,192</u> |
| EXPENDITURES | |
| REQUISITIONS | 79,340 |
| TRUSTEE FEES | - |
| TOTAL EXPENSE | <u>79,340</u> |
| TOTAL EXPENDITURES | <u>79,340</u> |
| EXCESS OF REVENUE OVER (UNDER) EXPENDITURES | (75,148) |
| TRANSFER IN | 4,992 |
| TRANSFER OUT | - |
| FUND BALANCE - BEGINNING | 175,714 |
| FUND BALANCE - ENDING | <u><u>\$ 105,558</u></u> |

**Avalon Groves Community Development District
Bank Reconciliation
June 30, 2019**

| | <u>BU</u> |
|-------------------------------------|----------------------------|
| Balance Per Bank Statement | \$ 80,861.29 |
| Less: Outstanding AP Checks | (58,950.70) |
| <i>Adjusted Bank Balance</i> | <u>\$ 21,910.59</u> |
| | |
| Beginning Bank Balance Per Books | \$ 54,423.69 |
| Deposits & Interest | 11,787.34 |
| Cash Disbursements | (44,300.44) |
| <i>Balance Per Books</i> | <u>\$ 21,910.59</u> |

Avalon Groves CDD
Check Register
Operating Account
FY 2019

| DATE | CK NO. | PAYEE | TRANSACTION | DEPOSIT | DISBURSEMENT | BALANCE |
|-------------------|-----------|-------------------------------------|---|------------------|------------------|-------------------|
| 9/30/2018 | | EOY | Balance | 8,684.20 | 3,714.00 | 34,378.06 |
| 10/01/2018 | 1151 | BIO-TECH CONSULTING, INC. | Wetland Maint - Collector Road - September | - | 2,800.00 | 36,876.81 |
| 10/01/2018 | 1152 | DPFG MANAGEMENT AND CONSULTING, LLC | Continuing disclosure service | | 5,000.00 | 31,876.81 |
| 10/02/2018 | 1153 | Heidt Design | Engineering Services | | 8,280.00 | 23,596.81 |
| 10/09/2018 | 1143 | LLS Tax Solutions Inc. | Arbitrage Calc. DS 2017 - A1 | | 650.00 | 22,946.81 |
| 10/09/2018 | 1144 | Venturesin.com, Inc. | Web Site Hosting - October | | 80.00 | 22,866.81 |
| 10/09/2018 | 1145 | Humane Animal Removal Team | Hog Trapping | | 4,410.00 | 18,456.81 |
| 10/10/2018 | | VK Avalon Groves | Deposit | 11,785.70 | | 30,242.51 |
| 10/10/2018 | | NVR Settlement Services | VOID: Deposit | 0.00 | | 30,242.51 |
| 10/19/2018 | | VK Avalon Groves | Deposit | 4,533.20 | | 34,775.71 |
| 10/22/2018 | 1147 | Hopping Green & Sams | Legal services | | 1,884.87 | 32,890.84 |
| 10/22/2018 | 1148 | Humane Animal Removal Team | Sererno - Hog/Coyote Trapping | | 850.00 | 32,040.84 |
| 10/22/2018 | 1149 | Orlando Sentinel | Legal Ad | | 275.00 | 31,765.84 |
| 10/22/2018 | 1150 | Yellowstone Landscape | Mowing Bahia Serona Blvd, Ponds, Behind Homes | | 3,000.00 | 28,765.84 |
| 10/23/2018 | 1177 | Egis Insurance Risk Advisors | Annual Renewal 2019 | | 5,000.00 | 23,765.84 |
| 10/26/2018 | 1155 | Hopping Green & Sams | Legal Services | | 1,543.75 | 22,222.09 |
| 10/29/2018 | 1178 | Daily Commercial | Legal Ad | | 389.60 | 21,832.49 |
| 10/30/2018 | 1154 | FLORIDA DEPT OF ECONOMIC OPPORTUNIT | Annual Filing - FY2019 | | 175.00 | 21,657.49 |
| 10/31/2018 | | EOM | Balance | 16,318.90 | 34,338.22 | 21,657.49 |
| 11/13/2018 | ACH111318 | Sumter Electric Cooperative | 16920 Sawgrass Bay Blvd | | 150.73 | 21,506.76 |
| 11/17/2018 | | VK Avalon Groves | Deposit | 647.60 | | 22,154.36 |
| 11/17/2018 | | VK Avalon Groves | Deposit | 1,295.20 | | 23,449.56 |
| 11/19/2018 | | VK Avalon Groves | Deposit | 13,581.70 | | 37,031.26 |
| 11/21/2018 | 1156 | Randy Suggs Landscaping | Landscape Maint - October | | 5,870.00 | 31,161.26 |
| 11/21/2018 | 1157 | Venturesin.com, Inc. | Web Site Hosting - November | | 80.00 | 31,081.26 |
| 11/21/2018 | 1158 | Randy Suggs Landscaping | Landscape Maint - September | | 5,870.00 | 25,211.26 |
| 11/23/2018 | 1159 | Aquatic Systems, Inc. | Lake & Wetland Svc - November | | 900.00 | 24,311.26 |
| 11/30/2018 | | EOM | Balance | 15,524.50 | 12,870.73 | 24,311.26 |
| 12/03/2018 | 1161 | Heidt Design | Engineering Services - July | | 2,012.50 | 22,298.76 |
| 12/03/2018 | 1162 | Hopping Green & Sams | Legal Svcs - October | | 1,082.04 | 21,216.72 |
| 12/03/2018 | 1163 | Yellowstone Landscape | Cable Co Pipe irrigation repairs | | 1,100.00 | 20,116.72 |
| 12/05/2018 | | VK Avalon Groves | Deposit | 1,295.20 | | 21,411.92 |
| 12/05/2018 | | Lake County Tax Collector | Deposit | 14,295.69 | | 35,707.61 |
| 12/20/2018 | | Lake County Tax Collector | Deposit | 43,824.36 | | 79,531.97 |
| 12/21/2018 | | VK Avalon Groves | Deposit | 647.60 | | 80,179.57 |
| 12/23/2018 | 1164 | Aquatic Systems, Inc. | Lake & Wetland - Oct/Nov | | 1,800.00 | 78,379.57 |
| 12/23/2018 | 1165 | Sumter Electric Cooperative | 16920 Sawgrass Bay Blvd | | 70.26 | 78,309.31 |
| 12/23/2018 | 1166 | Yellowstone Landscape | Mowing Bahia Serona Blvc | | 3,000.00 | 75,309.31 |
| 12/28/2018 | 1167 | Sumter Electric Cooperative | 17325 Sawgrass Bay Blvd - Deposit | | 198.00 | 75,111.31 |
| 12/31/2018 | 1168 | Hopping Green & Sams | Legal Svcs - November | | 3,703.10 | 71,408.21 |
| 12/31/2018 | | EOM | Balance | 60,062.85 | 12,965.90 | 71,408.21 |
| 01/07/2019 | 1169 | Aquatic Systems, Inc. | Lake & Wetland Svc - January | | 900.00 | 70,508.21 |
| 01/07/2019 | 1170 | BIO-TECH CONSULTING, INC. | Wetland Maint - Collector Road - Oct | | 2,800.00 | 67,708.21 |
| 01/07/2019 | 1171 | Venturesin.com, Inc. | Website Hosting - Dec/Jan | | 160.00 | 67,548.21 |
| 01/08/2019 | | Lake County Tax Collector | Deposit | 18,481.09 | | 86,029.30 |
| 01/21/2019 | 1172 | Hopping Green & Sams | Legal Svcs - December | | 1,823.40 | 84,205.90 |
| 01/21/2019 | 1173 | Sumter Electric Cooperative | 12/13-1/14 - 16920 Sawgrass Bay Blvd | | 33.28 | 84,172.62 |
| 01/21/2019 | 1174 | Yellowstone Landscape | Monthly Landscaping-Bahia Serona Blvd, Ponds | | 8,645.00 | 75,527.62 |
| 01/22/2019 | 1175 | DPFG MANAGEMENT AND CONSULTING, LLC | CDD Mgmt - Sept 27, Nov 6, Nov 27 | | 12,000.00 | 63,527.62 |
| 01/23/2019 | | VK Avalon Groves | Deposit | 647.60 | | 64,175.22 |
| 01/23/2019 | | VK Avalon Groves | Deposit | 3,885.60 | | 68,060.82 |
| 01/23/2019 | | VK Avalon Groves | Deposit | 3,941.91 | | 72,002.73 |
| 01/28/2019 | 1176 | Yellowstone Landscape | Irrigation Repairs - nozzles & adapters | | 228.86 | 71,773.87 |
| 01/29/2019 | 1179 | DPFG MANAGEMENT AND CONSULTING, LLC | CDD Mgmt - Board Mtg 1/24/19 | | 4,000.00 | 67,773.87 |
| 01/30/2019 | | Lake County Tax Collector | Deposit | 64,892.65 | | 132,666.52 |
| 1/31/2019 | | EOM | Balance | 91,848.85 | 30,590.54 | 132,666.52 |
| 02/01/2019 | | VK Avalon Groves | Deposit | 1,295.20 | | 133,961.72 |
| 02/05/2019 | 1180 | Aquatic Systems, Inc. | Lake & Wetland Svc - February | | 900.00 | 133,061.72 |
| 02/05/2019 | 1181 | Venturesin.com, Inc. | Web Site Hosting - February | | 80.00 | 132,981.72 |
| 02/06/2019 | | VK Avalon Groves | Deposit | 1,295.20 | | 134,276.92 |
| 02/06/2019 | | VK Avalon Groves | Deposit | 1,295.20 | | 135,572.12 |
| 02/07/2019 | | VK Avalon Groves | Deposit | 1,295.20 | | 136,867.32 |
| 02/11/2019 | | VK Avalon Groves | Deposit | 647.60 | | 137,514.92 |
| 02/19/2019 | 1182 | BIO-TECH CONSULTING, INC. | Wetland Maint - Collector Road | | 7,800.00 | 129,714.92 |
| 02/19/2019 | | VK Avalon Groves | Deposit | 647.60 | | 130,362.52 |
| 02/21/2019 | | Bank United | Deposit | 4.54 | | 130,367.06 |
| 02/25/2019 | 1184 | Hopping Green & Sams | Legal Svcs - January | | 1,730.90 | 128,636.16 |
| 02/25/2019 | 1185 | Sumter Electric Cooperative | 1/14-2/13 - 16920 Sawgrass Bay Blvd | | 31.28 | 128,604.88 |
| 2/28/2019 | | EOM | Balance | 6,480.54 | 10,542.18 | 128,604.88 |
| 03/04/2019 | 1186 | Lake County Tax Collector | Deposit | | 13,733.79 | 114,871.09 |
| 03/04/2019 | 1187 | Yellowstone Landscape | Monthly Landscaping - February | | 8,645.00 | 106,226.09 |
| 03/04/2019 | | VK Avalon Groves | Deposit | 1,295.20 | | 107,521.29 |
| 03/04/2019 | | Lake County Tax Collector | Deposit | 1,818.48 | | 109,339.77 |
| 03/11/2019 | 1188 | Aquatic Systems, Inc. | Lake & Wetland Svc - March | | 900.00 | 108,439.77 |
| 03/11/2019 | 1189 | BIO-TECH CONSULTING, INC. | Wetland Maint - Collector Road | | 3,000.00 | 105,439.77 |
| 03/11/2019 | 1190 | Venturesin.com, Inc. | Web Site Hosting - March | | 80.00 | 105,359.77 |
| 03/15/2019 | | VK Avalon Groves | Deposit | 647.60 | | 106,007.37 |
| 03/15/2019 | | VK Avalon Groves | Deposit | 647.60 | | 106,654.97 |
| 03/15/2019 | | Forestar Real Estate Group | Deposit | 114,875.20 | | 221,530.17 |
| 03/15/2019 | 1191 | Regions Bank. | Series 2017 A-1 (AA2) - Account# 3380008871 (| | 35,868.00 | 185,662.17 |

Avalon Groves CDD
Check Register
Operating Account
FY 2019

| DATE | CK NO. | PAYEE | TRANSACTION | DEPOSIT | DISBURSEMENT | BALANCE |
|------------------|------------|---|---|-------------------|-------------------|-------------------|
| 03/18/2019 | 1192 | Sumter Electric Cooperative | 177-3/11 - 325 Sawgrass Bay Blvd | | 647.84 | 185,014.33 |
| 03/18/2019 | 1193 | Yellowstone Landscape | Monthly Landscaping - March | | 8,645.00 | 176,369.33 |
| 03/25/2019 | 1194 | Sumter Electric Cooperative | 2/13-3/15 - 16920 Sawgrass Bay Blvd | | 31.39 | 176,337.94 |
| 03/28/2019 | | VK Avalon Groves | Deposit | 647.60 | | 176,985.54 |
| 3/31/2019 | EOM | | Balance | 119,931.68 | 71,551.02 | 176,985.54 |
| 04/01/2019 | 1195 | BIO-TECH CONSULTING, INC. | Wetland Maint - Collector Road | | 5,800.00 | 171,185.54 |
| 04/01/2019 | 1196 | Randy Suggs Landscaping | Landscape Maint. - Nov/Dec | | 11,740.00 | 159,445.54 |
| 04/02/2019 | 9000 | Venturesin.com, Inc. | Web Site Hosting - April | | 80.00 | 159,365.54 |
| 04/04/2019 | | VK Avalon Groves | Deposit | 3,238.00 | | 162,603.54 |
| 04/04/2019 | | Lake County Tax Collector | Deposit | 3,711.96 | | 166,315.50 |
| 04/08/2019 | 1197 | Avalon Groves CDD | Due to debt service | | 90,844.79 | 75,470.71 |
| 04/09/2019 | 1198 | Aquatic Systems, Inc. | Lake & Wetland Svc - April | | 900.00 | 74,570.71 |
| 04/09/2019 | 1199 | Hopping Green & Sams | Legal Svcs - February | | 254.00 | 74,316.71 |
| 04/09/2019 | 1200 | Regions Bank. | Trustee Fee Series 2017A-2 | | 3,500.00 | 70,816.71 |
| 04/09/2019 | 1201 | Yellowstone Landscape | Monthly Landscaping - April | | 226.90 | 70,589.81 |
| 04/09/2019 | 1202 | Regions Bank. | Trustee Fees - 2017 | | 3,500.00 | 67,089.81 |
| 04/09/2019 | 1203 | Regions Bank. | Trustee Fees - 2017A-1 | | 3,500.00 | 63,589.81 |
| 04/15/2019 | 1204 | Heidt Design | Engineering Services - March | | 1,300.00 | 62,289.81 |
| 04/15/2019 | 1205 | Sumter Electric Cooperative | 3/11-4/9 -17 325 Sawgrass Bay Blvd | | 310.54 | 61,979.27 |
| 04/16/2019 | | VK Avalon Groves | Deposit | 647.60 | | 62,626.87 |
| 04/22/2019 | 1206 | Yellowstone Landscape | Monthly Landscaping - April | | 8,645.00 | 53,981.87 |
| 04/24/2019 | 1207 | Lake County Tax Collector | Commissions | | 2,940.48 | 51,041.39 |
| 04/24/2019 | 1208 | Recovered Energy Technologies | Balance Sheet account Deposit | | 25,000.00 | 26,041.39 |
| 04/25/2019 | | Lake County Tax Collector | Deposit | 7,605.33 | | 33,646.72 |
| 04/25/2019 | | VK Avalon Groves | Deposit | 647.60 | | 34,294.32 |
| 04/27/2019 | 1209 | Sumter Electric Cooperative | 3/15-4/16 - 16920 Sawgrass Bay Blvd | | 30.92 | 34,263.40 |
| 04/27/2019 | 1210 | Yellowstone Landscape | Irrigation Repairs - heads & nozzles | | 357.08 | 33,906.32 |
| 4/30/2019 | EOM | | Balance | 15,850.49 | 158,929.71 | 33,906.32 |
| 05/06/2019 | 9003 | Venturesin.com, Inc. | Web Site Hosting - May | | 80.00 | 33,826.32 |
| 05/06/2019 | 1211 | Aquatic Systems, Inc. | Lake & Wetland Svc - May | | 900.00 | 32,926.32 |
| 05/06/2019 | 1212 | Hopping Green & Sams | Legal Svcs - March | | 3,520.40 | 29,405.92 |
| 05/07/2019 | | Lake County Tax Collector | Deposit | 2.20 | | 29,408.12 |
| 05/13/2019 | 1213 | Dibartolomeo, McBee, Hartley & Barnes, PA | Audit FY 2018 | | 2,750.00 | 26,658.12 |
| 05/13/2019 | 1214 | Sumter Electric Cooperative | 4/9-5/9 - 17325 Sawgrass Bay Blvd | | 295.81 | 26,362.31 |
| 05/13/2019 | 1215 | Yellowstone Landscape | Monthly Landscaping - May | | 8,645.00 | 17,717.31 |
| 05/16/2019 | 1216 | Avalon Groves CDD | Due to debt service Series 2017 A-1 (AA2) | | 4,699.25 | 13,018.06 |
| 05/16/2019 | 1217 | David Jordan Lake County Tax Collector | Tax Distributions 3/1-3/31/19 | | 152.11 | 12,865.95 |
| 05/20/2019 | 1218 | LLS Tax Solutions Inc. | Special Assessment Bonds 2017 | | 650.00 | 12,215.95 |
| 05/20/2019 | 1219 | Sumter Electric Cooperative | 4/16-5/15 - 16920 Sawgrass Bay Blvd | | 28.06 | 12,187.89 |
| 05/21/2019 | | VK Avalon Groves | Deposit | 647.60 | | 12,835.49 |
| 05/21/2019 | | VK Avalon Groves | Deposit | 647.60 | | 13,483.09 |
| 05/21/2019 | | VK Avalon Groves | Deposit | 1,295.20 | | 14,778.29 |
| 05/22/2019 | 1220 | LAKE COUNTY PROPERTY APPRAISER | Non Ad Valorem Collections | | 50.00 | 14,728.29 |
| 05/28/2019 | | Serenoa Village | Deposit | 28,494.40 | | 43,222.69 |
| 05/28/2019 | | VK Avalon Groves | Deposit | 1,295.20 | | 44,517.89 |
| 05/29/2019 | | Lake County Tax Collector | Deposit | 9,905.80 | | 54,423.69 |
| 5/31/2019 | EOM | | Balance | 42,288.00 | 21,770.63 | 54,423.69 |
| 06/06/2019 | 9001 | Aquatic Systems, Inc. | Lake & Wetland Svc - June | | 900.00 | 53,523.69 |
| 06/06/2019 | 9002 | Hopping Green & Sams | Legal Svcs - April | | 1,123.60 | 52,400.09 |
| 06/06/2019 | | Avalon Groves CDD | Deposit | 4,699.25 | | 57,099.34 |
| 06/06/2019 | 1221 | Avalon Groves CDD | Check sent in error (check sent to US bank not Regents) | | 4,699.25 | 52,400.09 |
| 06/07/2019 | | VK Avalon Groves | Deposit | 1,295.20 | | 53,695.29 |
| 06/11/2019 | 1222 | Avalon Groves CDD | Due to debt service Series 2017 A-1 (AA2) | | 6,120.70 | 47,574.59 |
| 06/11/2019 | 1223 | David Jordan Lake County Tax Collector | Commissions 4/1-4/30/19 | | 198.12 | 47,376.47 |
| 06/14/2019 | 9004 | Heidt Design | Engineering Services - May | | 2,600.00 | 44,776.47 |
| 06/14/2019 | 9005 | Venturesin.com, Inc. | Web Site Hosting - June | | 80.00 | 44,696.47 |
| 06/20/2019 | 9006 | Aquatic Systems, Inc. | Lake & Wetland Svc - Addon June | | 385.00 | 44,311.47 |
| 06/20/2019 | | Lake County Tax Collector | Deposit | 5,792.89 | | 50,104.36 |
| 06/26/2019 | ACH062619 | Sumter Electric Cooperative | 5/9-9/7 - 17325 Sawgrass Bay Blvd | | 383.77 | 49,720.59 |
| 06/27/2019 | 9007 | DPFG MANAGEMENT AND CONSULTING, LLC | CDD Mgmt - Board Mtg Feb/Mar/Apr/May | | 16,000.00 | 33,720.59 |
| 06/27/2019 | 9008 | LAKE COUNTY PROPERTY APPRAISER | Non Ad Valorem Collections | | 50.00 | 33,670.59 |
| 06/27/2019 | 9009 | Yellowstone Landscape | Monthly Landscaping - June | | 11,760.00 | 21,910.59 |
| 6/30/2019 | EOM | | Balance | 11,787.34 | 44,300.44 | 21,910.59 |

EXHIBIT 4

AVALON GROVES

COMMUNITY DEVELOPMENT DISTRICT

July 2019

SUMMARY

- **Inspection date: July 8th, 2019**
- **Bldv turf mowed. Plant beds had little weeds. Turf around Bldv ponds have sandy patches.**
- **A few ponds had high turf but looked cleaner.**
- **Lift station area needs some detail work.**
- **Pond 228 still very messy with high turf and weeds.**

SAWGRASS BAY BLVD



SAWGRASS BAY BLVD PONDS



GOLDCREST LOOP LOT 315



- Trees show some improvement

LOT 287 POND



- A couple of trees look improved.
- Gator was not seen this inspection.

PARK AREA



➤ Some turf weeds.

SAWGRASS LIFT STATION AREA



- Sprinkler head needs reset.
- Trees look a little better.

SAWGRASS LIFT STATION AREA



- Apparent vehicle tracks has deteriorated turf.
- Detail around trees and plant bed looks to have been missed.

SERENOA BLVD ENTRY



LARGE POND LOT 87



➤ Turf is high.

POND AT LOT 128



- Turf was a little high.

EXHIBIT 5

RESOLUTION 2019-06

A RESOLUTION SETTING FORTH THE SPECIFIC TERMS OF THE DISTRICT'S SPECIAL ASSESSMENT BONDS, SERIES 2019 (PHASES 1 AND 2 SUB-ASSESSMENT AREA ONE PROJECT); MAKING CERTAIN FINDINGS AND CONFIRMING AND ADOPTING A SUPPLEMENTAL ENGINEER'S REPORT AND SECOND SUPPLEMENTAL SPECIAL ASSESSMENT METHODOLOGY REPORT; ESTABLISHING AND CONFIRMING THE MAXIMUM ASSESSMENT LIEN SECURING THE SERIES 2019 BONDS (PHASES 1 AND 2 SUB-ASSESSMENT AREA ONE PROJECT); ADDRESSING THE ALLOCATION AND COLLECTION OF THE ASSESSMENTS SECURING THE SERIES 2019 BONDS (PHASES 1 AND 2 SUB-ASSESSMENT AREA ONE PROJECT); ADDRESSING TRUE-UP PAYMENTS; PROVIDING FOR THE SUPPLEMENTATION OF THE IMPROVEMENT LIEN BOOK; PROVIDING FOR CONFLICTS, SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, the Avalon Groves Community Development District ("**District**"), has previously indicated its intention to undertake, install, establish, construct or acquire certain public improvements and to finance such public improvements through the imposition of special assessments on benefited property within the District and the issuance of bonds; and

WHEREAS, on December 22, 2016, the District's Board of Supervisors ("**Board**") previously adopted, after notice and public hearing, Resolution 2017-08, relating to the imposition, levy, collection and enforcement of debt service special assessments to secure the repayment of such bonds; and

WHEREAS, on July 9, 2019, and in order to finance all or a portion of what is known as the "**Phases 1 and 2 Sub-Assessment Area One Project**," the District entered into that certain Bond Purchase Contract with FMSbonds, Inc., whereby the District agreed to sell its Avalon Groves Community Development District Special Assessment Bonds, Series 2019 (Phases 1 and 2 Sub-Assessment Area One Project) ("**2019 Bonds**") in the par amount of \$3,500,000; and

WHEREAS, pursuant to and consistent with Resolution 2017-08, the District desires to set forth the particular terms of the sale of the 2019 Bonds and confirm the lien for special assessments securing the 2019 Bonds.

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

SECTION 1. INCORPORATION OF RECITALS. All of the above representations, findings and determinations contained above are recognized as true and accurate and are expressly incorporated into this Resolution.

SECTION 2. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to the provisions of Florida law, including Chapters 170, 190 and 197, *Florida Statutes*, and Resolution 2017-08.

SECTION 3. FINDINGS; ADOPTION OF A SUPPLEMENTAL ENGINEER'S REPORT AND FIRST SUPPLEMENTAL SPECIAL ASSESSMENT METHODOLOGY REPORT. The Board hereby finds and determines as follows:

(a) On December 22, 2016, the District, after due notice and public hearing, adopted Resolution 2017-08 which, among other things, equalized, approved, confirmed and levied special assessments on property benefiting from the improvements authorized by the District. That Resolution provided that as each series of bonds were issued to fund all or any portion of the District's improvements, a supplemental resolution would be adopted to set forth the specific terms of the bonds and certify the amount of the lien of the special assessments securing any portion of the bonds, including interest, costs of issuance, the number of payments due, any true-up amounts and the application of receipt of any true-up proceeds.

(b) The *Avalon Groves Community Development District Engineer's Supplemental Report – 2019 Bond Issuance*, dated July 19, 2019, attached to this Resolution as **Exhibit A** ("**Engineer's Report**"), identifies and describes the presently expected components of the Phases 1 and 2 Sub-Assessment Area One Project. The Engineer's Report sets forth the estimated costs of the Phases 1 and 2 Sub-Assessment Area One Project as \$5,168,966. The District hereby confirms that the Phases 1 and 2 Sub-Assessment Area One Project serves a proper, essential and valid public purpose. The Engineer's Report is hereby approved, adopted, and confirmed. The District ratifies its use in connection with the sale of the 2019 Bonds.

(c) The *Master Assessment Methodology Report*, dated October 27, 2016, as supplemented by the *Second Supplemental Special Assessment Methodology Report*, dated July 9, 2019, and attached to this Resolution as **Exhibit B** (the "**Assessment Report**"), applies to the Phases 1 and 2 Sub-Assessment Area One Project and the actual terms of the 2019 Bonds. The Assessment Report is hereby approved, adopted and confirmed. The District ratifies its use in connection with the sale of the 2019 Bonds.

(d) The Phases 1 and 2 Sub-Assessment Area One Project specially benefits all developable property within the Phases 1 and 2 Sub-Assessment Area One of the District, as further described in **Exhibit C** attached hereto ("**Phases 1 and 2 Sub-Assessment Area One**"). Moreover, the benefits from the Phases 1 and 2 Sub-Assessment Area One Project funded by the 2019 Bonds and to Phases 1 and 2 Sub-Assessment Area One equal or exceed the amount of the special assessments ("**2019 Assessments**"), as described in **Exhibit B**, and such 2019 Assessments are fairly and reasonably allocated across Phases 1 and 2 Sub-Assessment Area One. It is reasonable, proper, just and right to assess the portion of the costs of the Phases 1 and 2 Sub-Assessment Area One Project to be financed with the 2019 Bonds to the specially benefited properties within the Phases 1 and 2 Sub-Assessment Area One of the District as set forth in Resolution 2017-08 and this Resolution.

SECTION 4. ESTABLISHMENT AND CONFIRMATION OF MAXIMUM ASSESSMENT LIEN SECURING THE 2019 BONDS. As provided in Resolution 2017-08, this Resolution is intended to set forth the terms of the 2019 Bonds and the imposition of a final amount of the 2019 Assessment lien. **Composite Exhibit D** shows: (i) the rates of interest and maturity on the 2019 Bonds, (ii) the sources and uses of funds of the 2019 Bonds; and (iii) the debt service due on the 2019 Bonds. The lien of the 2019 Assessments shall be the principal amount due on the 2019 Bonds, together with interest and collection costs.

SECTION 5. ALLOCATION OF ASSESSMENTS SECURING 2019 BONDS.

(a) The 2019 Assessments shall be allocated in accordance with **Exhibit B**. The Assessment Report, considered herein, reflects the actual terms of the issuance of the 2019 Bonds.

(b) To the extent land is added to the District, the District may, by supplemental resolution, determine such land to be benefited by the Phases 1 and 2 Sub-Assessment Area One Project and reallocate the 2019 Assessments and impose special assessments on the newly added and benefited property.

(c) Debt service payments and semi-annual installments of interest are reflected on **Composite Exhibit D**. The District shall begin annual collection of the 2019 Assessments using the methods available to it by law, and in time to meet the debt service obligations set forth in **Composite Exhibit D**.

(d) Section 7 of Resolution 2017-08 sets forth the terms for collection and enforcement of the 2019 Assessments. The District hereby certifies the 2019 Assessments for collection to ensure payment of debt service as set forth in **Exhibit B** and **Composite Exhibit D**. The District Manager is directed and authorized to take all actions necessary to collect special assessments on property using methods available to the District authorized by Florida law in order to provide for the timely payment of debt service. Among other things, the District Manager shall prepare or cause to be prepared each year an assessment roll for purposes of effecting the collection of the 2019 Assessments and present same to the District Board as required by law.

(e) An owner of property subject to the Series 2019 Special Assessments may pay in whole or in part the principal balance of such Series 2019 Special Assessments at any time if there is also paid an amount equal to the interest that would otherwise be due on such prepaid amount on the next succeeding interest payment date, or, if prepaid during the forty-five (45) day period preceding such interest payment date, to the interest payment date following such next succeeding interest payment date.

(f) An owner of property subject to the levy of Series 2019 Special Assessments may pay the entire balance of the Series 2019 Special Assessments remaining due, without interest, within thirty (30) days after the related Project has been completed or acquired by the District, and the Board has adopted a resolution accepting such Project pursuant to Chapter 170.09, Florida Statutes. This provision is subject to waiver by the owner of property at any time prior to or after the issuance of the 2019 Bonds.

(g) A default in the payment of the 2019 Assessments does not constitute an automatic default in the payment of any other special assessments securing any other series of bonds issued by the District, and vice versa.

(h) Any impact fee credits received for improvements funded by the 2019 Bonds may be applied to pay costs of the Phases 1 and 2 Sub-Assessment Area One Project, or otherwise assigned to the owner of property at the District's option.

SECTION 6. APPLICATION OF TRUE-UP PAYMENTS.

(a) As parcels of land or lots are platted, the 2019 Assessments shall be allocated as set forth in the Assessment Report. In furtherance thereof, at such time as parcels or land or lots are platted, and at the intervals identified in the Assessment Report, it shall be an express condition of the lien established by Resolution 2017-08 that any and all plats of any portion of the lands within Phases 1 and 2 Sub-Assessment Area One, as such area may be amended from time to time, shall be presented to the District Manager for review and calculation of the percentage of acres and numbers of units which will be, after the plat, considered to be developed. No further action by the Board of Supervisors shall be required. The District's review shall be limited solely to this function and the enforcement of the lien established by this Resolution. The District Manager shall cause the 2019 Assessments to be reallocated to the units being platted and the remaining property in accordance with the Assessment Report, cause such reallocation to be recorded in the District's Improvement Lien Book, and shall perform the true-up calculations described in the Assessment Report, which process is incorporated herein as if fully set forth. Any resulting "**True-Up Payment**" shall become due and payable that tax year by the landowner(s) of record of the remaining property, in addition to the regular assessment installment payable with respect to the remaining unplatted developable acres.

(b) The foregoing is based on the District's understanding that the unit numbers and types shown in the Assessment Report shall be developed on the net developable acres within Phases 1 and 2 Sub-Assessment Area One and is intended to ensure that the appropriate ratio of the 2019 Assessments to developable acres is maintained if fewer units are developed. However, no action by the District prohibits more than the maximum units shown in the Assessment Report from being developed. In no event shall the District collect 2019 Assessments pursuant to this Resolution in excess of the total debt service related to the portion of the Phases 1 and 2 Sub-Assessment Area One Project funded by the proceeds of the 2019 Bonds, including all costs of financing and interest. The District recognizes that such events as regulatory requirements and market conditions may affect the timing and scope of the development in the District. If the strict application of the true-up methodology to any assessment reallocation pursuant to this paragraph would result in 2019 Assessments collected in excess of the District's total debt service obligation for the Phases 1 and 2 Sub-Assessment Area One Project, the Board shall by resolution take appropriate action to equitably reallocate the 2019 Assessments. Further, upon the District's review of the final plat for the developable acres, any unallocated 2019

Assessments shall become due and payable and must be paid prior to the District's approval (if required) of that plat.

SECTION 7. IMPROVEMENT LIEN BOOK. Immediately following the adoption of this Resolution, the 2019 Assessments as reflected herein shall be recorded by the Secretary of the Board of the District in the District's Improvement Lien Book. The 2019 Assessments shall be and shall remain a legal, valid and binding first lien against all benefitted property as described in **Exhibit B** until paid and such lien shall be coequal with the lien of all state, county, district, municipal or other governmental taxes and superior in dignity to all other liens, titles, and claims.

SECTION 8. CONFLICTS. This Resolution is intended to supplement Resolution 2017-08, which remains in full force and effect. This Resolution and Resolution 2017-08 shall be construed to the maximum extent possible to give full force and effect to the provisions of each resolution, provided however that to the extent of any conflict, this resolution shall control. All District resolutions or parts thereof in actual conflict with this Resolution are, to the extent of such conflict, superseded and repealed.

SECTION 9. SEVERABILITY. If any section or part of a section of this resolution be declared invalid or unconstitutional, the validity, force and effect of any other section or part of a section of this Resolution shall not thereby be affected or impaired unless it clearly appears that such other section or part of a section of this Resolution is wholly or necessarily dependent upon the section or part of a section so held to be invalid or unconstitutional.

SECTION 10. EFFECTIVE DATE. This Resolution shall become effective upon its adoption.

APPROVED and **ADOPTED** this 25th day of July, 2019.

ATTEST:

**AVALON GROVES COMMUNITY
DEVELOPMENT DISTRICT**

Secretary

Chairperson

- Exhibit A:** *Avalon Groves Community Development District Engineer's Supplemental Report – 2019 Bond Issuance, dated July 19, 2019*
- Exhibit B:** *Second Supplemental Special Assessment Methodology Report, dated July 9, 2019*
- Exhibit C:** Legal Description of Phases 1 and 2 Sub-Assessment Area One
- Comp. Exhibit D:** Maturities and Coupon of 2019 Bonds
Sources and Uses of Funds for 2019 Bonds
Annual Debt Service Payment Due on 2019 Bonds

Exhibit A:

*Avalon Groves Community Development District Engineer's
Supplemental Report- 2019 Bond Issuance, dated July 19, 2019*

Exhibit B:

Second Supplemental Special Assessment Methodology Report, dated July 9, 2019

Exhibit C:

Legal Description of Phases 1 and 2 Sub-Assessment Area One

Comp. Exhibit D:
Maturities and Coupon of 2019 Bonds
Sources and Uses of Funds for 2019 Bonds
Annual Debt Service Payment Due on 2019 Bonds

BOND PRICING

Avalon Groves CDD 2019
 Special Assessment Bonds, Series 2019 (Phases 1 and 2 Sub-Assessment Area One Project)

| Bond Component | Maturity Date | Amount | Rate | Yield | Price |
|----------------|---------------|-----------|--------|--------|---------|
| Term 1: | 11/01/2024 | 345,000 | 3.350% | 3.350% | 100.000 |
| Term 2: | 11/01/2029 | 405,000 | 3.700% | 3.700% | 100.000 |
| Term 3: | 11/01/2039 | 1,090,000 | 4.125% | 4.200% | 98.978 |
| Term 4: | 11/01/2049 | 1,660,000 | 4.375% | 4.375% | 100.000 |
| | | 3,500,000 | | | |

| | | |
|-------------------------|--------------|------------|
| Dated Date | 07/30/2019 | |
| Delivery Date | 07/30/2019 | |
| First Coupon | 11/01/2019 | |
| Par Amount | 3,500,000.00 | |
| Original Issue Discount | -11,139.80 | |
| Production | 3,488,860.20 | 99.681720% |
| Underwriter's Discount | -70,000.00 | -2.000000% |
| Purchase Price | 3,418,860.20 | 97.681720% |
| Accrued Interest | | |
| Net Proceeds | 3,418,860.20 | |

SOURCES AND USES OF FUNDS

Avalon Groves CDD 2019
Special Assessment Bonds, Series 2019 (Phases 1 and 2 Sub-Assessment Area One Project)

Sources:

Bond Proceeds:

| | |
|-------------------------|--------------|
| Par Amount | 3,500,000.00 |
| Original Issue Discount | -11,139.80 |
| | 3,488,860.20 |

Uses:

Other Fund Deposits:

| | |
|---|------------|
| DSRF (50% MADS) | 105,296.88 |
| Capitalized Interest Fund (through 11/1/19) | 36,432.86 |
| | 141,729.74 |

Delivery Date Expenses:

| | |
|------------------------|------------|
| Cost of Issuance | 175,150.00 |
| Underwriter's Discount | 70,000.00 |
| | 245,150.00 |

Other Uses of Funds:

| | |
|-------------------------|--------------|
| Deposit to Project Fund | 3,101,980.46 |
| | 3,488,860.20 |

BOND DEBT SERVICE

Avalon Groves CDD 2019
Special Assessment Bonds, Series 2019 (Phases 1 and 2 Sub-Assessment Area One Project)

| Period Ending | Principal | Coupon | Interest | Debt Service |
|---------------|-----------|--------|--------------|--------------|
| 11/01/2019 | | | 36,432.86 | 36,432.86 |
| 11/01/2020 | 65,000 | 3.350% | 144,130.00 | 209,130.00 |
| 11/01/2021 | 65,000 | 3.350% | 141,952.50 | 206,952.50 |
| 11/01/2022 | 70,000 | 3.350% | 139,775.00 | 209,775.00 |
| 11/01/2023 | 70,000 | 3.350% | 137,430.00 | 207,430.00 |
| 11/01/2024 | 75,000 | 3.350% | 135,085.00 | 210,085.00 |
| 11/01/2025 | 75,000 | 3.700% | 132,572.50 | 207,572.50 |
| 11/01/2026 | 80,000 | 3.700% | 129,797.50 | 209,797.50 |
| 11/01/2027 | 80,000 | 3.700% | 126,837.50 | 206,837.50 |
| 11/01/2028 | 85,000 | 3.700% | 123,877.50 | 208,877.50 |
| 11/01/2029 | 85,000 | 3.700% | 120,732.50 | 205,732.50 |
| 11/01/2030 | 90,000 | 4.125% | 117,587.50 | 207,587.50 |
| 11/01/2031 | 95,000 | 4.125% | 113,875.00 | 208,875.00 |
| 11/01/2032 | 100,000 | 4.125% | 109,956.26 | 209,956.26 |
| 11/01/2033 | 100,000 | 4.125% | 105,831.26 | 205,831.26 |
| 11/01/2034 | 105,000 | 4.125% | 101,706.26 | 206,706.26 |
| 11/01/2035 | 110,000 | 4.125% | 97,375.00 | 207,375.00 |
| 11/01/2036 | 115,000 | 4.125% | 92,837.50 | 207,837.50 |
| 11/01/2037 | 120,000 | 4.125% | 88,093.76 | 208,093.76 |
| 11/01/2038 | 125,000 | 4.125% | 83,143.76 | 208,143.76 |
| 11/01/2039 | 130,000 | 4.125% | 77,987.50 | 207,987.50 |
| 11/01/2040 | 135,000 | 4.375% | 72,625.00 | 207,625.00 |
| 11/01/2041 | 140,000 | 4.375% | 66,718.76 | 206,718.76 |
| 11/01/2042 | 150,000 | 4.375% | 60,593.76 | 210,593.76 |
| 11/01/2043 | 155,000 | 4.375% | 54,031.26 | 209,031.26 |
| 11/01/2044 | 160,000 | 4.375% | 47,250.00 | 207,250.00 |
| 11/01/2045 | 170,000 | 4.375% | 40,250.00 | 210,250.00 |
| 11/01/2046 | 175,000 | 4.375% | 32,812.50 | 207,812.50 |
| 11/01/2047 | 185,000 | 4.375% | 25,156.26 | 210,156.26 |
| 11/01/2048 | 190,000 | 4.375% | 17,062.50 | 207,062.50 |
| 11/01/2049 | 200,000 | 4.375% | 8,750.00 | 208,750.00 |
| | 3,500,000 | | 2,782,266.70 | 6,282,266.70 |

BOND DEBT SERVICE

Avalon Groves CDD 2019
Special Assessment Bonds, Series 2019 (Phases 1 and 2 Sub-Assessment Area One Project)

| Period Ending | Principal | Coupon | Interest | Debt Service | Annual Debt Service |
|---------------|-----------|--------|-----------|--------------|---------------------|
| 11/01/2019 | | | 36,432.86 | 36,432.86 | 36,432.86 |
| 05/01/2020 | | | 72,065.00 | 72,065.00 | |
| 11/01/2020 | 65,000 | 3.350% | 72,065.00 | 137,065.00 | 209,130.00 |
| 05/01/2021 | | | 70,976.25 | 70,976.25 | |
| 11/01/2021 | 65,000 | 3.350% | 70,976.25 | 135,976.25 | 206,952.50 |
| 05/01/2022 | | | 69,887.50 | 69,887.50 | |
| 11/01/2022 | 70,000 | 3.350% | 69,887.50 | 139,887.50 | 209,775.00 |
| 05/01/2023 | | | 68,715.00 | 68,715.00 | |
| 11/01/2023 | 70,000 | 3.350% | 68,715.00 | 138,715.00 | 207,430.00 |
| 05/01/2024 | | | 67,542.50 | 67,542.50 | |
| 11/01/2024 | 75,000 | 3.350% | 67,542.50 | 142,542.50 | 210,085.00 |
| 05/01/2025 | | | 66,286.25 | 66,286.25 | |
| 11/01/2025 | 75,000 | 3.700% | 66,286.25 | 141,286.25 | 207,572.50 |
| 05/01/2026 | | | 64,898.75 | 64,898.75 | |
| 11/01/2026 | 80,000 | 3.700% | 64,898.75 | 144,898.75 | 209,797.50 |
| 05/01/2027 | | | 63,418.75 | 63,418.75 | |
| 11/01/2027 | 80,000 | 3.700% | 63,418.75 | 143,418.75 | 206,837.50 |
| 05/01/2028 | | | 61,938.75 | 61,938.75 | |
| 11/01/2028 | 85,000 | 3.700% | 61,938.75 | 146,938.75 | 208,877.50 |
| 05/01/2029 | | | 60,366.25 | 60,366.25 | |
| 11/01/2029 | 85,000 | 3.700% | 60,366.25 | 145,366.25 | 205,732.50 |
| 05/01/2030 | | | 58,793.75 | 58,793.75 | |
| 11/01/2030 | 90,000 | 4.125% | 58,793.75 | 148,793.75 | 207,587.50 |
| 05/01/2031 | | | 56,937.50 | 56,937.50 | |
| 11/01/2031 | 95,000 | 4.125% | 56,937.50 | 151,937.50 | 208,875.00 |
| 05/01/2032 | | | 54,978.13 | 54,978.13 | |
| 11/01/2032 | 100,000 | 4.125% | 54,978.13 | 154,978.13 | 209,956.26 |
| 05/01/2033 | | | 52,915.63 | 52,915.63 | |
| 11/01/2033 | 100,000 | 4.125% | 52,915.63 | 152,915.63 | 205,831.26 |
| 05/01/2034 | | | 50,853.13 | 50,853.13 | |
| 11/01/2034 | 105,000 | 4.125% | 50,853.13 | 155,853.13 | 206,706.26 |
| 05/01/2035 | | | 48,687.50 | 48,687.50 | |
| 11/01/2035 | 110,000 | 4.125% | 48,687.50 | 158,687.50 | 207,375.00 |
| 05/01/2036 | | | 46,418.75 | 46,418.75 | |
| 11/01/2036 | 115,000 | 4.125% | 46,418.75 | 161,418.75 | 207,837.50 |
| 05/01/2037 | | | 44,046.88 | 44,046.88 | |
| 11/01/2037 | 120,000 | 4.125% | 44,046.88 | 164,046.88 | 208,093.76 |
| 05/01/2038 | | | 41,571.88 | 41,571.88 | |
| 11/01/2038 | 125,000 | 4.125% | 41,571.88 | 166,571.88 | 208,143.76 |
| 05/01/2039 | | | 38,993.75 | 38,993.75 | |
| 11/01/2039 | 130,000 | 4.125% | 38,993.75 | 168,993.75 | 207,987.50 |
| 05/01/2040 | | | 36,312.50 | 36,312.50 | |
| 11/01/2040 | 135,000 | 4.375% | 36,312.50 | 171,312.50 | 207,625.00 |
| 05/01/2041 | | | 33,359.38 | 33,359.38 | |
| 11/01/2041 | 140,000 | 4.375% | 33,359.38 | 173,359.38 | 206,718.76 |
| 05/01/2042 | | | 30,296.88 | 30,296.88 | |
| 11/01/2042 | 150,000 | 4.375% | 30,296.88 | 180,296.88 | 210,593.76 |
| 05/01/2043 | | | 27,015.63 | 27,015.63 | |
| 11/01/2043 | 155,000 | 4.375% | 27,015.63 | 182,015.63 | 209,031.26 |
| 05/01/2044 | | | 23,625.00 | 23,625.00 | |
| 11/01/2044 | 160,000 | 4.375% | 23,625.00 | 183,625.00 | 207,250.00 |
| 05/01/2045 | | | 20,125.00 | 20,125.00 | |
| 11/01/2045 | 170,000 | 4.375% | 20,125.00 | 190,125.00 | 210,250.00 |
| 05/01/2046 | | | 16,406.25 | 16,406.25 | |
| 11/01/2046 | 175,000 | 4.375% | 16,406.25 | 191,406.25 | 207,812.50 |

BOND DEBT SERVICEAvalon Groves CDD 2019
Special Assessment Bonds, Series 2019 (Phases 1 and 2 Sub-Assessment Area One Project)

| Period Ending | Principal | Coupon | Interest | Debt Service | Annual Debt Service |
|------------------|-----------|--------|--------------|--------------|------------------------|
| 05/01/2047 | | | 12,578.13 | 12,578.13 | |
| 11/01/2047 | 185,000 | 4.375% | 12,578.13 | 197,578.13 | 210,156.26 |
| 05/01/2048 | | | 8,531.25 | 8,531.25 | |
| 11/01/2048 | 190,000 | 4.375% | 8,531.25 | 198,531.25 | 207,062.50 |
| 05/01/2049 | | | 4,375.00 | 4,375.00 | |
| 11/01/2049 | 200,000 | 4.375% | 4,375.00 | 204,375.00 | 208,750.00 |
| | 3,500,000 | | 2,782,266.70 | 6,282,266.70 | 6,282,266.70 |



HEIDT
DESIGN

P: (813) 253-5311 | F: (813) 464-7629
5806-B Breckenridge Pkwy.
Tampa, FL 33610
www.heidtdesign.com

July 19, 2019

Mr. Maik Aagaard, District Manager
DPFG, Inc.
1060 Maitland Center Commons
Suite 340
Maitland, FL 32751

**RE: Avalon Groves Community Development District
Supplemental Engineer's Report – 2019 Bond Issuance**

To Whom It Concerns:

Pursuant to the Board of Supervisor's authorization, Heidt Design, LLC is pleased to submit this DRAFT Supplemental Engineer's Report for the proposed improvements for the Avalon Groves Community Development District related to the issuance of Capital Improvement Revenue Bonds for the 2019 Bond Issuance. This report has been prepared on behalf of the District in connection with the financing for these proposed initial improvements. A detailed description of the improvements and their corresponding estimates of costs are outlined in the following report.

Thank you for this opportunity to be of professional service.

Sincerely,

HEIDT DESIGN, LLC

Gary D. Miller, P.E.
District Engineer

cc: Jim Harvey, Kolter
Alyssa Willson, HGS
e-File

**AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT
ENGINEER'S SUPPLEMENTAL REPORT -
2019 BOND ISSUANCE**

Prepared for:

**Board of Supervisors
Avalon Groves Community Development District**

Prepared by:

**Heidt Design, LLC
5806-B Breckenridge Parkway
Tampa, Florida 33610
813-253-5311**

July 19, 2019

TABLE OF CONTENTS

| | <i>Page #</i> |
|---|---------------|
| TRANSMITTAL LETTER | 1 |
| INTRODUCTION | 4 |
| INFRASTRUCTURE IMPROVEMENTS | 5 |
| OWNERSHIP AND MAINTENANCE | 7 |
| PERMIT STATUS | 7 |
| SUMMARY OF COSTS | 7 |
| ENGINEER'S OPINION | 8 |
| EXHIBITS | |
| A. Assessment Area Legal Description | |
| B. Vicinity Map | |
| C. Concept Plan | |
| D. Aerial Map | |
| TABLES | |
| 1. Ownership & Maintenance | |
| 2. Opinion of Probable Cost | |
| 3. Permit Status | |

INTRODUCTION

As described in the Preliminary Engineer's Report issued in October 2016, the Avalon Groves Community Development District (CDD) will ultimately consist of three assessment areas geographically positioned as depicted in the Vicinity Map in Exhibit B of this report. Assessment Area One is approximately 303 acres located in the northernmost portion of the District property and is established as a residential active adult community with approximately 580 lots. Assessment Area Two contains approximately 334 acres and located in the central portion of the District property. The two residential tracts (Villages 1 and 2) are separated by the Sawgrass Bay Boulevard Right-of-Way and contain 479 single family detached (SFD) residential units. Assessment Area Three is approximately 335 acres in total land area and is located in the southern portion of the District property. The public infrastructure to be built for Assessment Area 3 was not financed with the Series 2017 Bonds.

The Supplemental Engineer's report issued in 2017 for the Serenoa (fka Avalon Groves) community included infrastructure within Assessment Areas One and Two that contained approximately 1,059 residential housing units and various parks and recreational facilities. Also included was the construction of the Sawgrass Bay Boulevard extension from the northwest project boundary through Assessment Areas One and Two, wetland mitigation creation, listed species habitat mitigation creation and relocation costs, stormwater management facilities and associated infrastructure grading, entry monumentation, common area landscaping and irrigation, dry utilities, and recreational facilities for the initial phases of development.

The purpose of this Supplemental Engineer's Report is to provide a description of the improvements and land acquisition that is to be financed by the District's proposed 2019 bond issue ("2019 Bonds"). Public infrastructure and land improvements to be funded with the 2019 Bonds include the acquisition of land for construction of stormwater management facilities and wetland conservation areas, grading and construction associated with the stormwater management system, and professional fees associated with the improvements. The improvements are located within Serenoa Active Adult Phases 1 & 2 within Assessment Area One as shown on the Exhibits at the end of this report. Such area is a sub-assessment area within Assessment Area One. These improvements are a subset of the residential improvements described in the 2017 Supplemental Engineer's Report but have not yet been funded by the District.

Construction of the improvements commenced in 2018 and is anticipated to be complete by 2020. Updated permit status information is provided in the "Permit Status" section of this report. As directed by the District's bond counsel, the District will pay the lesser of the cost basis or appraised value with respect to any land acquisition.

This Supplemental Engineer's Report reflects the District's present intentions. The implementation and completion of any land purchase and any improvement outlined in this report requires final approval by the District's Board of Supervisors, including the award of contracts for the construction of the improvements. The District will acquire completed improvements. Cost estimates contained

in this report have been prepared based on the best available information. Actual costs will vary based upon final plans, design, planning, approvals from regulatory authorities, inflation, etc. Nevertheless, all costs contained herein may be reasonably expected to adequately fund the improvements described, and contingency costs as included are reasonable.

INFRASTRUCTURE IMPROVEMENTS

The District presently intends to undertake certain public infrastructure improvements to be financed with the 2019 Bonds within Phases 1 and 2 within Assessment Area One of the District. As mentioned in the Preliminary Engineer's Report on file with the District, a portion of these improvements will be funded by District bond issuances and a portion will be funded by the Developer. The construction and maintenance of the proposed improvements are necessary and will benefit the property within the District. A more specific description of each of these items follows and the related costs are provided in Table 2.

LAND ACQUISITION

The District intends to acquire wetland and upland areas that are necessary for the lands that are needed to meet regulatory requirements related to wetland systems, stormwater management systems, wetland setbacks, open space, and other stormwater infrastructure improvements. All assessment areas benefit from the land and the acquisition costs will be allocated by the District as needed. It is anticipated that approx. 48.38 acres of wetlands and 31.73 acres of uplands located within Phases 1 and 2 of Assessment Area One will be conveyed to the District as part of the 2019 Bond financing and include the following tracts:

Drainage: D-0, D-1, D-2, D-3, D-4, D-5, D-6, D-7, D-8, D-9

Floodplain: F-0

Wetland Conservation: C-1, C-5, C-6, C-7, C-8A

Wetland Conservation Buffer: N-1, N-1A

MASTER ROADS AND STREETS

There are no master roadway improvements associated with the 2019 Bonds.

MASTER WATER AND WASTEWATER

There are no master water or wastewater improvements associated with the 2019 Bonds.

MASTER SURFACE WATER MANAGEMENT

The District will provide the master surface water management infrastructure for the entire Avalon Groves CDD Project within the District in accordance with St. Johns River Water Management District (SJRWMD) and U.S. Army Corps of Engineers (ACOE) permit approvals. Material excavated from

surface water management ponds, floodplain management ponds, and wetland mitigation areas is anticipated to remain within Phase 1 and 2 sub-assessment area within Assessment Area One area for use only in public road sub base, and perimeter berms. However, any grading in connection with the preparation of pads for private home sites or on other private property will not be funded by the District. Any material excavated from ponds or mitigation areas constructed on lands owned by the District shall be used only for improvements within the Project to be financed with the 2019 Bonds. Any excess material removed from the ponds, if applicable, will be disposed of by the Developer. Components of the surface water management infrastructure related to the 2019 Bonds are described below:

Stormwater Management Ponds: 200, 201, 202, 203, 204, 205, 206, 207, 208, 209.

Floodplain Compensation Ponds: FC200.

Wetland Mitigation: None

Wetland Conservation Areas (portions within the 2019 Bond area): Wetland 11, 31, 27, 33, 22, 23, 20, & 25.

SUBDIVISION INFRASTRUCTURE

Portions of the local roadway and storm sewer system are required for the stormwater management system to function including proper grading and fill for the construction of the curb and gutters within the roadways. As such, these improvements are to be constructed in association with the 2019 Bonds.

LANDSCAPING AND MONUMENT SIGNS

There are no Landscape and Irrigation improvements or Monument Signs associated with the 2019 Bonds.

PARKS AND RECREATION FACILITIES

There are no Parks and Recreation improvements associated with the 2019 Bonds.

DRY UTILITIES FACILITIES

There are no Dry Utility improvements associated with the 2019 Bonds.

PROFESSIONAL FEES

Professional Fees include civil engineering costs for site design, permitting, inspection, and master planning, geotechnical costs for pre-design soil borings, underdrain analysis, and construction staking, all in regard to the improvements associated with the 2019 Bonds. Also included in this category are fees associated with environmental consultation and permitting.

The infrastructure, as outlined above, is necessary for the functional development of the District as

required by the applicable independent unit of local government. The planning and design of the infrastructure is in accordance with current governmental regulatory requirements. The infrastructure will provide their intended function so long as the construction is in substantial compliance with the design and permits.

OWNERSHIP & MAINTENANCE

Ownership and maintenance of the improvements is generally anticipated as set forth in Table 1.

It is anticipated that, in addition to the annual non-ad valorem assessments to be levied and collected by the District to pay debt service on its bonds, the District should levy and collect an annual "Maintenance Assessment" to be determined, assessed, and levied by the District's Board of Supervisors upon the assessable real property within the District for the purpose of defraying the cost and expenses of maintaining District-owned improvements.

PERMIT STATUS

The required infrastructure improvements for Phases 1 & 2 of the Active Adult Community are contained in the following construction plans titled Serenoa Active Adult Parcel Phases 1 & 2.

The USACOE permits have been pursued where needed to offset federal wetland impacts. In addition, wildlife surveys were initially completed at the start of the project and have been updated with each phase of development.

The permit status of all permits issued to date or in process can be found in Table 3. Preliminary Plats, and Construction Plans have been submitted for review and approval by the St John's Water Management District, Lake County and the Florida Department of Environmental Protection incrementally for Phases 1 & 2 of the Active Adult Community.

We are of the opinion that all permits not heretofore issued or in process and which are necessary to affect the improvements described herein will be obtained during the ordinary course of development.

SUMMARY OF COSTS

The estimated cost of the 2019 Project is as set forth in Table 2 at the end of this report.

ENGINEER'S OPINION

It is our professional opinion that the summary of costs listed in Table 2 is sufficient to complete the construction of the items intended.

It is my professional opinion that these infrastructure improvements will benefit and add value to the assessable lands within the Phase 1 and 2 part of Assessment Area One within the District. Such assessable property within the Phase 1 and 2 part of Assessment Area One of the District will receive a special benefit from the herein described improvements, which benefit will be at least equal to the cost of such improvements. Infrastructure costs are for public improvements or community facilities as set forth in section 190-012(1) and (2) of the Florida Statutes.

The estimate of infrastructure construction costs is only an estimate and not a guarantee maximum price. The estimated cost is based on unit prices currently being experienced for ongoing and similar items of work in Lake County and quantities as represented on construction plans. In no event will the District pay more than the actual cost or fair market value of the public improvements constituting the Project, whichever is the least.

The labor market, future costs of equipment and materials, increased regulatory actions, and the actual construction process are all beyond control of the District. Due to this inherent opportunity for fluctuation of cost, the total final cost may be more or less than this estimate.

Assuming project construction continues in a timely manner, it is our opinion that the proposed improvements, if constructed and built in substantial accordance with the approved plans and specifications, can be completed and meets their intended functions. Where necessary, historical costs, information from other professional or utility consultants and contractors have been used in preparation of this report. Consultants and contractors who have contributed in providing the cost data included in this report are reputable entities in the Lake County area. It is therefore our opinion that the construction of the proposed project can be completed at the cost stated.



Gary D. Miller, P.E.

Florida Registered Engineer No. 52717

Exhibit A

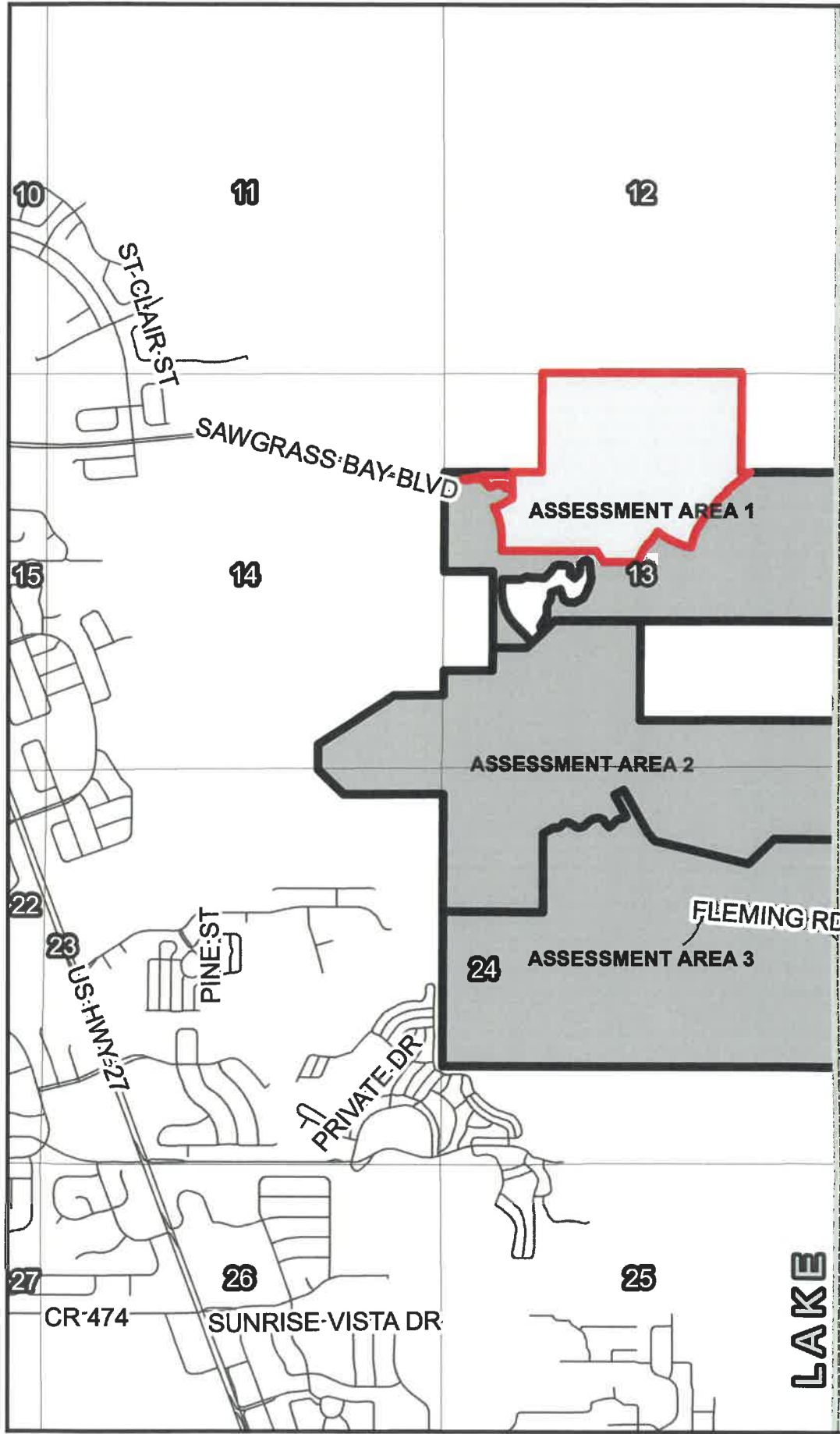
Assessment Area Legal Description

Exhibit B

Vicinity Map

Legend

-  2019 Project Area
-  CDD Boundary




Avalon Groves Community Development District
Vicinity Map
Lake County

0 1,000 2,000 Feet

Surver: Heidt Design, Lake County, FL

This map was acquired from various sources including but not limited to state, county and local governments. Heidt Design does not warrant data provided by other sources for accuracy, or for any particular use that may require accurate information. This map is for informational purposes only and it should not be substituted for a site visit, property appraisal, or other professional services.








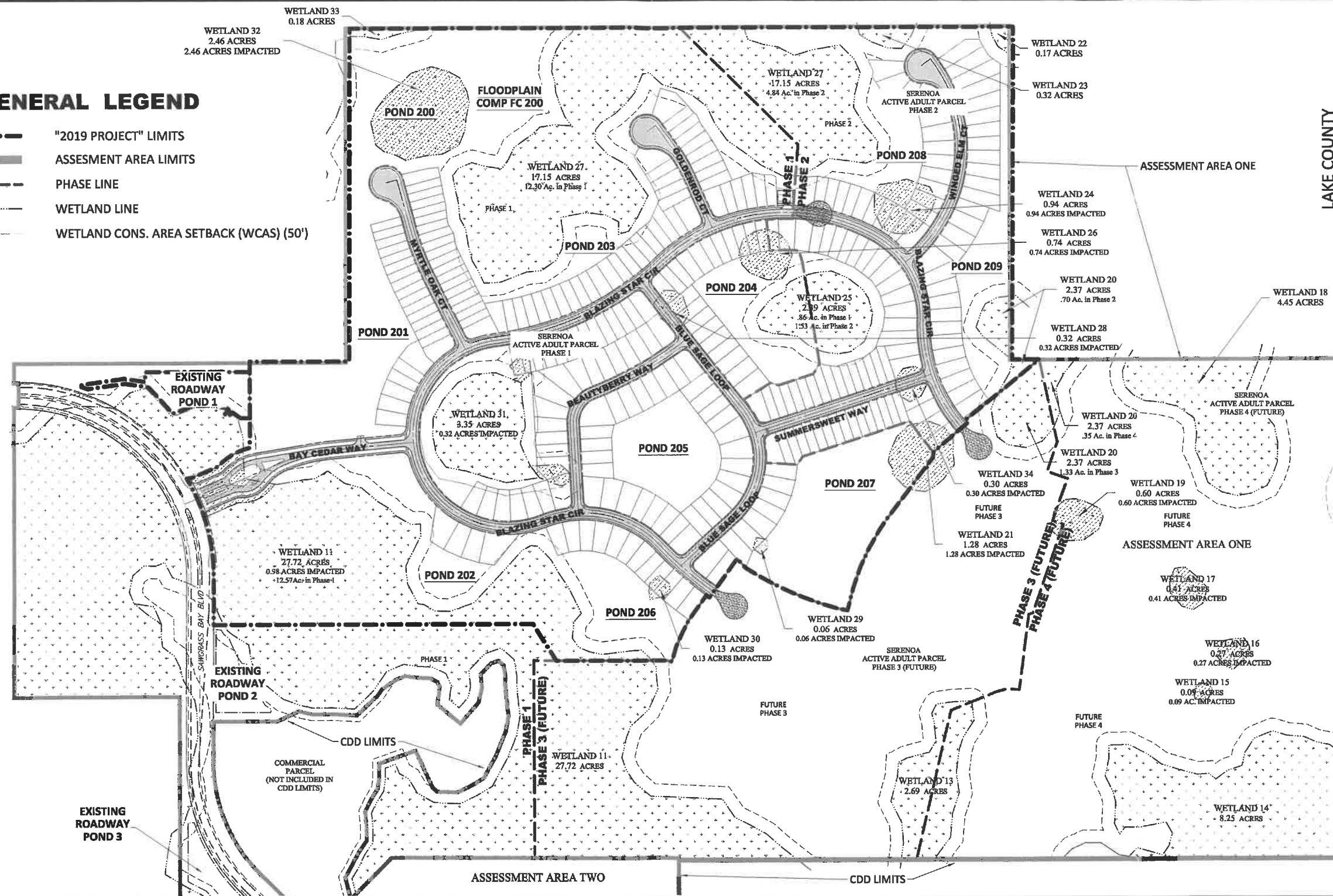

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Exhibit C

Concept Plan

GENERAL LEGEND

-  "2019 PROJECT" LIMITS
-  ASSESSMENT AREA LIMITS
-  PHASE LINE
-  WETLAND LINE
-  WETLAND CONS. AREA SETBACK (WCAS) (50')



LAKE COUNTY
ORANGE COUNTY

2019 CIP PROJECT LIMITS
Conceptual Site Plan

AVALON GROVES CDD
Lake County

| | | |
|------------|-------------|----|
| DATE | DESCRIPTION | BY |
| 02/14/2019 | CDD AG 1001 | |

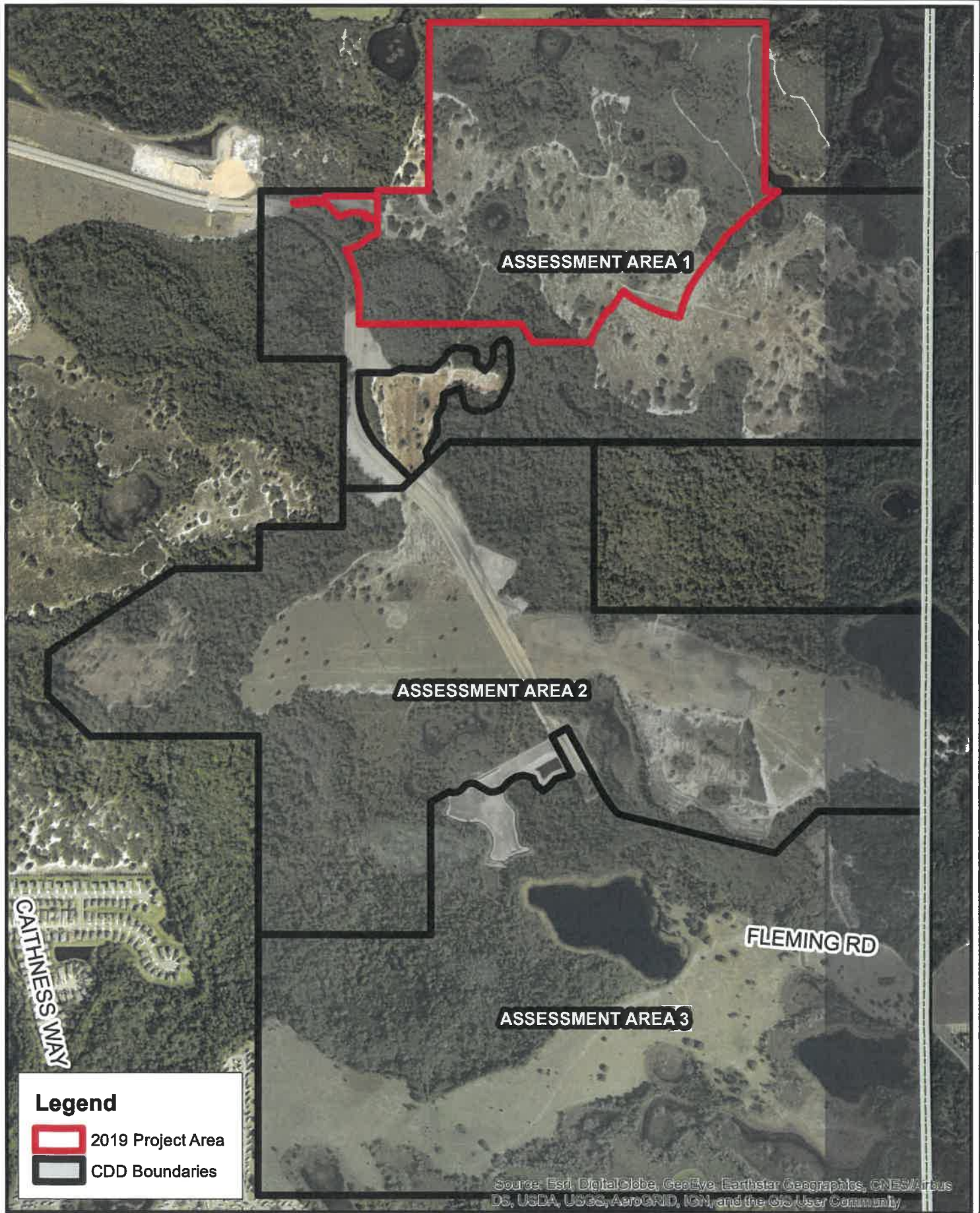
SCALE: 1" = 200'
HALF SCALE 11" BY 17"

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Exhibit D

Aerial Map



ASSESSMENT AREA 1

ASSESSMENT AREA 2

ASSESSMENT AREA 3

GATHNESS WAY

FLEMING RD

Legend

-  2019 Project Area
-  CDD Boundaries

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

Avalon Groves Community Development District

Aerial

Lake County

0 500 1,000 Feet

HEIDT DESIGN
HEIDT DESIGN, Lake County
 Map by Google Earth 2015
 Data was acquired from various sources including but not limited to state, county, and local governments. HEIDT DESIGN does not warrant data provided by other sources for accuracy, or for any particular use that may require accurate information. This map is for informational purposes only and should not be substituted for a title search, property appraisal, or

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Table 1

Ownership & Maintenance

Table 1. OWNERSHIP AND MAINTENANCE

Ownership and maintenance of the improvements* is anticipated as set forth below:

| <u>IMPROVEMENT</u> | <u>OWNERSHIP/MAINTENANCE</u> |
|--|---|
| Stormwater Management System | Community Development District (with Drainage Easements to Lake County) |
| Public Roadway Systems (Collector Roads) | Lake County |
| Public Roadway Systems (Local Roads) | Lake County / HOA (Private Roads) |
| Master Sewer Facilities | Utilities, Inc. (Private) |
| Master Water Facilities | Utilities, Inc. (Private) |
| Master Reuse Water System | Utilities, Inc. (Private) |
| Master Dry Utilities | Utility Companies (with Utility Easements) |
| Parks and Recreational Facilities | HOA |
| Landscaping and Signs | Lake County |

*Only improvements that will be owned and maintained by the District or Lake County will be financed by the District.

Table 2

Opinion of Probable Cost

Avalon Groves Community Development District

Table 1A

| Item | Phase 1 and 2 within Assessment Area One |
|--|---|
| | (Active Adult) |
| | 301 Lots |
| Master Infrastructure | |
| Land Acquisition (1) | \$1,711,422 |
| Clearing / Earthwork (2) | \$1,162,654 |
| Master Stormwater Management | \$1,229,283 |
| Master Collector Road (2 lanes, excl. utilities) | \$0 |
| Parks and Recreational Facilities / Amenities | \$0 |
| Professional Fees (3) | \$321,750 |
| Master Utilities (Water, Wastewater, Reuse) | \$0 |
| Sub-total | \$4,425,109 |
| Residential Tract Costs | |
| Roadway (Local Streets) | \$0 |
| Landscaping, Entry Features and Signs | \$0 |
| Sub-total | \$0 |
| Contingency | \$442,511 |
| Project Total | \$4,867,619 |
| Anticipated Buildout | December 2019 |
| (1) Assumes \$45,246 for uplands & \$5,700 for wetlands, which amounts are the cost basis and are the lower of the appraised values based on an independent appraisal received by the District. Note: source of tract acreages is Lake County Property Appraiser site. | |
| (2) Earthwork excludes the placement and grading on any developable lots | |
| (3) Professional fees for design of public infrastructure only | |
| (4) All Costs are in 2019 Dollars | |

Serenoa Active Adult Phases 1 & 2

Opinion of Probable Construction Cost Summary

| | | |
|---------------------|----|----------------------------|
| SITework: | \$ | <u>1,162,654.37</u> |
| DRAINAGE: | \$ | <u>1,229,283.48</u> |
| TOTAL: | \$ | <u>2,391,937.85</u> |

Unit prices are estimated based on information from Serenoa Active Adult Phase 1. Heidt Design has no control over the cost or availability of labor, equipment or materials, or other market conditions or the Contractor's method of pricing. Heidt Design makes no warranty, expressed or implied, that the bids will not vary from the consultant's opinion of probable construction cost.

Assumptions

Earthwork qty is 65% of total earthwork. The remaining 35% is estimated to be Non-CDD (Lot Fill)

Serenoa Active Adult Phases 1 & 2

SITWORK

| Item No. | Description | Unit | Estimated Quantity | Unit Price | Total Amount |
|-----------------|---------------------------------|-------------|---------------------------|-------------------|------------------------|
| 1. | Clearing & Grubbing | AC | 124.7 | \$3,451.91 | \$ 430,453.18 |
| 2. | Silt Fence | LF | 27,054 | \$1.00 | \$ 27,054.00 |
| 3. | Tree Protection | LF | 302 | \$5.19 | \$ 1,567.38 |
| 4. | Wetland Protection Safety Fence | LF | 16,615 | \$2.05 | \$ 34,060.75 |
| 5. | Earthwork - Cut/Fill | CY | 192,585 | \$2.05 | \$ 394,798.43 |
| 6. | Finish Grade Ponds/Tracts | SY | 123,556 | \$0.38 | \$ 46,951.28 |
| 7. | Demuck Wetlands | LS | 1 | \$119,487.12 | \$ 119,487.12 |
| 8. | Sod Ponds & Tracts | SY | 53,341 | \$2.03 | \$ 108,282.23 |
| | | | | TOTAL | \$ 1,162,654.37 |

Serenoa Active Adult Phases 1 & 2

DRAINAGE / CURB

| Item No. | Description | Unit | Estimated Quantity | Unit Price | Total Amount |
|--------------|-------------------------------|------|--------------------|------------|------------------------|
| 1. | Underdrain | LF | 2,212 | \$23.64 | \$ 52,291.68 |
| 2. | Underdrain Cleanout | EA | 17 | \$242.40 | \$ 4,120.80 |
| 3. | 18" RCP | LF | 2,334 | \$32.84 | \$ 76,648.56 |
| 4. | 24" RCP | LF | 7,231 | \$43.63 | \$ 315,488.53 |
| 5. | 30" RCP | LF | 664 | \$58.06 | \$ 38,551.84 |
| 6. | 36" RCP | LF | 318 | \$80.02 | \$ 25,446.36 |
| 7. | 42" RCP | LF | 188 | \$106.00 | \$ 19,928.00 |
| 8. | 19" x 30" RCP | LF | 328 | \$63.50 | \$ 20,828.00 |
| 9. | Type C Grate Top Inlet | EA | 1 | \$2,309.01 | \$ 2,309.01 |
| 10. | FDOT Type 2 Curb Inlet | EA | 1 | \$4,870.89 | \$ 4,870.89 |
| 11. | FDOT Type 3 Curb Inlet | EA | 49 | \$4,154.11 | \$ 203,551.39 |
| 12. | FDOT Type 4 Curb Inlet | EA | 7 | \$4,671.00 | \$ 32,697.00 |
| 13. | Type P Storm Manhole | EA | 16 | \$2,169.18 | \$ 34,706.88 |
| 14. | Type J Storm Manhole | EA | 7 | \$3,379.68 | \$ 23,657.76 |
| 15. | Control Structure (Type C) | EA | 10 | \$4,773.93 | \$ 47,739.30 |
| 16. | Control Structure (Type D) | EA | 1 | \$5,542.17 | \$ 5,542.17 |
| 17. | GeoWeb Spillway | EA | 2 | \$3,500.00 | \$ 7,000.00 |
| 18. | Concrete Sump | EA | 8 | \$2,500.00 | \$ 20,000.00 |
| 19. | 19" x 30" Mitered End Section | EA | 4 | \$1,555.06 | \$ 6,220.24 |
| 20. | 18" Mitered End Section | EA | 2 | \$1,043.68 | \$ 2,087.36 |
| 21. | 24" Mitered End Section | EA | 20 | \$1,470.77 | \$ 29,415.40 |
| 22. | 30" Mitered End Section | EA | 2 | \$2,216.19 | \$ 4,432.38 |
| 23. | 36" Mitered End Section | EA | 2 | \$2,688.80 | \$ 5,377.60 |
| 24. | 42" Mitered End Section | EA | 1 | \$5,235.00 | \$ 5,235.00 |
| 24. | Miami Curb & Gutter | LF | 18,265 | \$10.16 | \$ 185,572.40 |
| 25. | Type A Curb & Gutter | LF | 232 | \$16.13 | \$ 3,742.16 |
| 26. | Type F Curb & Gutter | LF | 1,727 | \$12.55 | \$ 21,673.85 |
| 27. | Type D Curb | LF | 2,018 | \$14.94 | \$ 30,148.92 |
| TOTAL | | | | | \$ 1,229,283.48 |

Table 3

Permit Status Update

PERMIT STATUS UPDATE

The permit status for the Avalon Groves development plans is as follows:

| <u>PERMIT</u> | <u>STATUS</u> |
|--|---------------|
| 1. Lake County – Active Adult Phases 1 & 2 Preliminary Plat | Approved |
| 2. Lake County – Active Adult Phases 1 & 2 Construction Plans | Approved |
| 3. Lake County – Active Adult Phases 1 & 2 Final Plat Plat Book 70, Pages 80 - 91 | Approved |
| 3. SJRWMD Environmental Resource Permit Active Adult Phase 1 & 2 – Permit #135777-7 | Approved |
| 4. SJRWMD Transfer of Ownership Active Adult Phase 1 & 2 – Permit #135777-10 | Approved |
| 5. Lake County – ROW Utilization Permit | Approved |
| 6. FDEP Water Permit Phase 1 – Permit #0080594-059-DSGP | Approved |
| 7. FDEP Wastewater Permit Phase 1 – Permit #0365689-001-DWG/CG | Approved |
| 8. Lake County – Active Adult Model Homes and Sales Lots | Approved |

**AVALON GROVES
COMMUNITY DEVELOPMENT DISTRICT
PHASES 1 AND 2 SUB-ASSESSMENT AREA ONE**

**SECOND SUPPLEMENTAL
SPECIAL ASSESSMENT METHODOLOGY
REPORT FOR THE ISSUANCE OF PROPOSED**

**\$3,500,000 SPECIAL ASSESSMENT BONDS, SERIES 2019
(Phases 1 and 2 Sub-Assessment Area One Project)**

July 9, 2019
(final pricing)

Prepared By
DPFG Management & Consulting LLC
250 International Parkway, Suite 280
Lake Mary, FL 32746

**AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT
SECOND SUPPLEMENTAL
ASSESSMENT METHODOLOGY REPORT**

Table of Contents

| | |
|---|-----------|
| A. Overview | 3 |
| B. Master Assessment Allocation..... | 3 |
| C. Purpose of this Report | 3 |
| D. 2019 Project Bond Financing Plan | 4 |
| E. True-Up..... | 5 |
| F. Exemptions and Non-Benefitted Property | 6 |
| G. Assessment Allocation and Benefits..... | 6 |
| Assessment Standard | 6 |
| Assessment Methodology..... | 6 |
| These Special Benefits and Allocation of Assessments | 7 |
| H. Preliminary Assessment Roll and Collection | 7 |
| I. Conclusion | 7 |
| Special Benefit | 7 |
| Assessment Apportionment..... | 7 |
| Reasonableness of Assessment Apportionment | 7 |
| Best Interest..... | 8 |
| J. Prepayment Calculation Method..... | 8 |
| K. Sources and Uses of Funds for the 2019 Project..... | 9 |
| L. Allocation of Public Improvements Costs and Proposed Debt..... | 10 |
| M. Preliminary Assessment Roll..... | 11 |
| Map of 2019 Project Area (Phases 1 and 2 of Active Adult Lots section)..... | 16 |
| Conceptual Site Plan..... | 17 |
| Legal Descriptions..... | 18 |

List of Tables

| | |
|--|----|
| Table 1 – 2019 Assessable Property within Phase 1 and 2 of the Assessment Area One..... | 4 |
| Table 2 - Total District Debt and Maximum Annual Debt Service | 4 |
| Table 3 –Assignment of Benefit and 2019 Assessable Property After Plat Map Recordation | 5 |
| Table 4 - Allocation of Public Improvement Costs | 10 |
| Table 5 - Phase 1 and 2 Special Assessments Compared with Total PIC..... | 10 |

A. Overview

The Avalon Groves Community Development District (the “**District**”) is a local unit of special-purpose government organized and existing in accordance with the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the “**Act**”), created by Ordinance No. 2016-16, duly enacted by the Board of County Commissioners of Lake County, Florida, on April 19, 2016 and becoming effective on April 27, 2016 (the “**Ordinance**”). To advance the development of the properties within the District, certain capital improvements have been planned for the entire development of the District, as described in the Report of the District Engineer, dated October 11, 2018 (the “**CIP**”). To finance the construction of portions of the CIP, the District plans to issue bonds in multiple series and levy Special Assessments to repay the bonds, including interest, as the development advances in separate phases within the District.

B. Master Assessment Allocation

The District determined to implement a portion of the CIP and to defray the cost thereof by levying special assessments on benefitted property and expressed an interest to issue bonds to provide the funds needed therefor prior to the collection of special assessments. The costs of the CIP are assessed against the benefitted property using the method described in the Master Assessment Methodology Report, dated October 27, 2016 (the “**Master AMR**”). That described methodology results in special assessments set forth in the assessment roll, which is part of the Master AMR and included in the Appendix herein. To accommodate, and align the bond financing with the phased infrastructure development, the District is 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**”). The Special Assessments are initially levied over all Undeveloped Property within each of the District’s Assessment Areas on an equal acreage basis anticipated. Subsequently, the Special Assessments attach to Developed Property on a “first platted, first assessed basis” within the respective Assessment Areas.

C. Purpose of this Report

This Second Supplemental Special Assessment Methodology Report relates to the issuance of the District’s Special Assessment Bonds, Series 2019, (Phases 1 and 2 Sub-Assessment Area One Project) (the “**2019 Bonds**”), which are being issued to fund portions of the CIP, as described in the Report of the District Engineer dated July 19, 2019, necessary to develop the active adult lots in Phases 1 and 2 within Assessment Area One (the “**2019 Project**”). It is contemplated that the development in Assessment Area One will occur in four phases. This report provides an assessment methodology for analyzing the benefits that the lots in Phases 1 and 2 derive from the 2019 Project (Refer to Map of the 2019 Project Area and Conceptual Site Plan of Assessment Area One herein) and determining a fair and equitable allocation of such benefits through the levy of the Special Assessments associated with the 2019 Bonds (the “**Phase 1 and 2 Special Assessments**”). The District will deliver a supplemental assessment methodology report describing the particular portion of the CIP to be funded associated with the remaining two phases within Assessment Area One at a later date.

As described above, the District levied Special Assessments in the amount of not to exceed \$70 million pursuant to the Master AMR¹, which report is supplemented by this report. Any capitalized terms not otherwise defined herein will have the meaning ascribed to such term in the Master AMR. Consistent with the First Supplemental Special Assessment Methodology Report, each platted lot will be assigned a uniform

¹ Based on bond principal amount sized for funding of all the CIP costs and adjusted for allowable bond financing costs including capitalized interest, reserves and cost of issuance.

Phase 1 and 2 Special Assessments. This reflects that the majority of benefits derived from the 2019 Project accruing to each active adult lot equally; consequently, each lot regardless of lot size will be assigned a value and ranking of 1.0 ERU. For example, lot owners receive generally uniform benefits with respect to flood prevention or storm damage reduction thru the District’s stormwater collection system. Consequently, all assessable properties are specifically assessed their equal share for the cost of storm drainage management improvements.

While there is Undeveloped Property (defined below), the Phase 1 and 2 Special Assessments will remain levied against all 2019 Assessable Property (defined below) on an equal acreage basis.² As the 2019 Assessable Property becomes Developed Property (defined below), the Phase 1 and 2 Special Assessments will be re-allocated to those Lots constituting Developed Property based on its equally assigned share in Assessment Area One.

D. 2019 Project Bond Financing Plan

The 2019 Bonds are being issued for the primary purpose of funding portions of the costs related to the 2019 Project. In addition, net proceeds of the 2019 Bonds will be used to provide funds to (i) fund a debt service reserve account for the 2019 Bonds, (ii) pay the costs of issuance of the 2019 Bonds, and (iii) pay capitalized interest. A sources and uses table of the bond financing is enclosed herein in the Appendix. The size of the 2019 Bond in turn determines the Phase 1 and 2 Special Assessments levied to pay maximum annual debt service amounts (“MADS”).

The 2019 Bond principal plus interest is secured by and payable from the Phase 1 and 2 Special Assessments levied on the 2019 Assessable Property as set forth in the table below.

Table 1 – 2019 Assessable Property within Phase 1 and 2 of the Assessment Area One

| Bond Series | Prior to Plat Map Recordation and Development | After Plat Map Recordation and Development | Payable from, and Secured by |
|--------------------|---|---|-------------------------------------|
| 2019 | Total of 146,901 acres comprised of Phases 1 and 2 of Active Adult Lots | 301 active adult lots in Phase 1 and 2 within Assessment Area One | Phase 1 and 2 Special Assessments |

The table below sets forth a summary of the total estimated 2019 Bonds principal amount and MADS.³

Table 2 - Total District Debt and Maximum Annual Debt Service

| Bond Series | Par Amount | MADS |
|--------------------|-------------------|-------------|
| 2019 | \$3,500,000 | \$210,594 |

Each fiscal year, the CDD will certify for collection the Series 2019 Assessments on all 2019 Assessable Property, apportioned proportionately to the 2019 Assessable Property until the aggregate amount of the Series 2019 Assessments has satisfied all of the MADS requirement for the 2019 Bonds. The Table below sets forth the proposed ERU Assignment, 2019 Bonds par per lot, MADS per lot both after plat map recordation and per lot product type.

² Refer to the Appendix for a Preliminary Assessment Roll for details and legal description and sketch of the areas.

³ Excluding early payment discount and County collection charges

Table 3 –Assignment of Benefit and 2019 Assessable Property After Plat Map Recordation

| Lot Product Type | Lots | ERU | Total ERU | % ERU | Par Amount | Par/Lot | Total MADS | MADS/Lot |
|-------------------------|-------------|------------|------------------|----------------|--------------------|----------------|-------------------|-----------------|
| 25 | 68 | 1.0 | 68 | 22.59% | \$790,698 | \$11,628 | \$47,576 | \$700 |
| 40 | 89 | 1.0 | 89 | 29.57% | \$1,034,884 | \$11,628 | \$62,269 | \$700 |
| 50 | 144 | 1.0 | 144 | 47.84% | \$1,674,419 | \$11,628 | \$100,749 | \$700 |
| Total | 301 | | 301 | 100.00% | \$3,500,000 | | \$210,594 | |

E. True-Up

As of this date, the developer has informed the District that it plans to construct a total of 301 lots in connection with Phases 1 and 2 in Assessment Area One, which represents a total of 301.0 ERUs. As development occurs, it is possible that the number of lots and lot mix may change within Assessment Area One. In order to ensure that the Phase 1 and 2 Special Assessments allocation is maintained in accordance with the methodology specified by this report, a true-up analysis may be necessary (“**True-Up Analysis**”).

This True-Up Analysis is utilized to ensure that the principal amount of the Phase 1 and 2 Special Assessments on a per lot and per acre basis never exceeds the initially allocated amount as contemplated in the assessment methodology described herein. In accordance with the True-Up Agreement to be entered into by the developer and the District at the time of issuance of the 2019 Bonds, prior to the time a parcel within Assessment Area One is platted and developed, or ownership is transferred by the developer to any other entity or person with a specific number of assessable units allocated thereto, the True-Up Analysis will be conducted in accordance with the assessment methodology set forth herein and in the True-Up Agreement. As the lands within the District’s Assessment Area One are developed, the allocation of the amounts assessed to and constituting a lien upon the 2019 Assessable Property will be calculated based upon certain density assumptions, which assumptions were provided by the developer.

At such time as acreage is contained within a proposed plat, or a deed or assignment agreement between the developer and a transferee that specifies the residential Lots or entitlements thereto being transferred to such transferee (“**Entitlement Transfer Document**”), the developer agrees that such proposed plat or Entitlement Transfer Document shall be presented to the District in accordance with the terms of the True-Up Agreement. The District will allocate the Phase 1 and 2 Special Assessments to the 2019 Assessable Property reflected in such plat or Entitlement Transfer Document in accordance with the applicable land use classifications, and the remaining 2019 Assessable Property within the District, and such reallocation will be recorded in the District’s lien book. This True-Up Analysis will ensure that the 2019 Bond debt does not accumulate disproportionately on Undeveloped Property, or undevelopable property, within Phases 1 and 2 of Assessment Area One. In the event that the density assumptions upon which this report is based change over time as determined by any True-Up Analysis such that fewer ERUs are being developed within Phases 1 and 2 of Assessment Area One than are contemplated by this report, the True-Up Analysis will determine the amount required to be paid by the developer to the District in order to satisfy, in whole or in part, the Phase 1 and 2 Special Assessments and ensure that the Phase 1 and 2 Special Assessments continue to be allocated ratably against the actual density within Phases 1 and 2 of District’s Assessment Area One in accordance with the methodology set forth in this report (the “**True-Up Obligation**”). The True-Up Agreement shall further set forth the terms associated with the Developer’s satisfaction of the True-Up Obligation.

F. Exemptions and Non-Benefitted Property

No Phase 1 and 2 Special Assessments shall be assigned or attached to public property, property owner association Property, or community amenities and facilities. These properties are treated as ancillary uses as a whole, because they will serve and benefit the primary residential development. According to Section 193.0235 (Ad valorem taxes and non-ad valorem assessments against subdivision property), Florida Statutes, special assessments 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. Assessment Allocation and Benefits

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 benefitted by local improvements, as provided for in sec. 170.01, shall be assessed upon the property specially benefitted 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 benefitted 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 benefitted properties for special assessments levied by community development districts. Although the general public outside the District will benefit from the CIP, such benefits are incidental. The facilities in the CIP 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 similar dwelling units will receive a relatively equal and direct benefit from all or a portion of the District-wide CIP. The direct benefits from these improvements include increased use, enjoyment and increased property values to all residential properties, and the direct benefits from each District system and function. 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 standard lot width, 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 public improvements to the development Phases 1 and 2 of the District' Assessment Area One. 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 2019 Project. All residential units in Phases 1 and 2 planned within the District's Assessment Area One will uniformly benefit from the construction, purchase and maintenance of the public improvements included in the 2019 Project. A ranking and finding of 1.0 ERU per residential unit on an active adult lot applies pursuant to the Master AMR.

H. Preliminary Assessment Roll and Collection

A Preliminary Assessment Roll is attached in the Appendix. The District expects to bill and collect directly the special assessments associated with the 2019 Bonds. Once platted, the County tax collector will collect the special assessments on behalf of the District.

I. Conclusion

The acquisition and construction of the Series 2019 Project using the 2019 Bond proceeds will be utilized for common District purposes associated with Phases 1 and 2 within Assessment Area One. The Phase 1 and 2 Special Assessments will be assigned over all 2019 Assessable Property on a fair and equitable basis as described herein. The 2019 Assessable Property will receive benefits in excess of the allocated Phase 1 and 2 Special Assessments. Accordingly, this is an appropriate District project that will significantly benefit the 2019 Assessable Property and enhance the District.

Special Benefit

The 2019 Project will provide special benefit to parcels within the District. It delivers interconnected structural improvement elements that provide a framework that supports, complements and adds to the entire development. The 2019 Project yields benefits to parcel owners in terms of meeting development needs and increasing property values.

Assessment Apportionment

The Phase 1 and 2 Special Assessments are fairly and equally apportioned over all the 2019 Assessable Property. The benefits are quantified and assigned to parcels regardless of lot size, reflecting the general uniform benefits that the lots receive from the 2019 Project. Accordingly, the District has assigned proxy values to the various expected lot sizes on the basis that each lot receives the value and ranking of 1.0 ERU.

Reasonableness of Assessment Apportionment

It is reasonable, proper and just to assess the costs of the 2019 Project against lands in the District. As a result of the 2019 Project, certain properties in the District receive special benefit and increase in value. Based on the premise that the 2019 Project makes the properties more valuable, in return it is reasonable for the District to assign the Phases 1 and 2 Special Assessments on the 2019 Assessable Property within

Assessment Area One of the District. The benefits will be equal to or in excess of the assessments thereon when allocated.

Best Interest

The District provides for delivering the public 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 the 2019 Project 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.

J. Prepayment Calculation Method

The Phase 1 and 2 Special Assessments obligation of a lot may be prepaid in full or in part, and the obligation of the lot to pay the Phase 1 and 2 Special Assessments may be permanently satisfied; provided that a prepayment may be made only if there are no delinquent Phase 1 and 2 Special Assessments with respect to such lot at time of prepayment. The Phase 1 and 2 Special Assessments Prepayment amount is calculated as follows:

Determine the Outstanding District Debt amount allocated to the subject Lot

Plus: Accrued interest on principal amount to be prepaid, calculated to next interest payment date, which shall occur at least 45 days prior to the tender of the prepayment or calculated to the next succeeding interest payment date if the prepayment is made within 45 days of the next interest payment date

Less: A proportionate amount of Capitalized Interest, if any remains at time of the prepayment

Equals: Total Prepayment Amount (PA)

Plus: Reasonable administrative fees and 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 subject Lot is partially prepaying the Special Assessment. With respect to a partial prepayment, the District manager shall indicate in the District 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 subject Lot.

K. Sources and Uses of Funds for the 2019 Project

**\$3,500,000 SPECIAL ASSESSMENT BONDS, SERIES 2019
(Phases 1 and 2 Sub-Assessment Area One Project)**

| Sources | \$ Amount |
|---------------------------|------------------|
| Par | 3,500,000 |
| Original Issue Discount | -11,140 |
| | <hr/> |
| | 3,488,860 |
| Uses | |
| Net Construction Proceeds | 3,101,980 |
| Capitalized Interest | 36,433 |
| Debt Service Reserve Fund | 105,297 |
| Cost of Issuance | 245,150 |
| | <hr/> |
| | 3,488,860 |

L. Allocation of Public Improvements Costs and Proposed Debt

The 2019 Project costs and the other uses of bond proceeds are used as proxy value for total benefit. As described in the Engineer’s Report, the completed public infrastructure costs are estimated in the amount of \$4,867,619. The following table sets forth the allocation of public improvements costs (“PIC”) among the 2019 Assessable Property, including an allowance for other uses of bond proceeds such as deposit to the debt service reserve fund, capitalized interest, and costs of issuance.

Assessment Area One (Active Adult Lots Phases 1 and 2)

Table 4 - Allocation of Public Improvement Costs

| Lot Width | Total Lots Phases 1 and 2 | ERU | Total ERU | % ERU | Total PIC (as proxy for benefit) | Benefit Per Lot |
|------------------|----------------------------------|------------|------------------|--------------|---|------------------------|
| Various | 301 | 1.0 | 301 | 100.0% | \$4,867,619 | \$16,171 |

Table 5 - Phase 1 and 2 Special Assessments Compared with Total PIC

| Lot Width | 2019 Bond Principal Amount | Benefit Per Lot | Debt Over/(Under) Benefit |
|------------------|-----------------------------------|------------------------|----------------------------------|
| Various | \$11,628 | \$11,628 | \$16,171 |

M. Preliminary Assessment Roll

Assessment Area One –
 Active Adult Phases 1 and 2
 (PALMS AT SERENOA PB 70 PG 80-91)

| Lot / Parcel | Acreage | Use Code / (a) | Assigned ERU | MADS / (b) | PAR |
|--------------|---------|----------------|--------------|------------|----------|
| LOT 1 | 0.16 | AA | 1.00 | \$700 | \$11,628 |
| LOT 2 | 0.16 | AA | 1.00 | \$700 | \$11,628 |
| LOT 3 | 0.16 | AA | 1.00 | \$700 | \$11,628 |
| LOT 4 | 0.13 | AA | 1.00 | \$700 | \$11,628 |
| LOT 5 | 0.13 | AA | 1.00 | \$700 | \$11,628 |
| LOT 6 | 0.20 | AA | 1.00 | \$700 | \$11,628 |
| LOT 7 | 0.18 | AA | 1.00 | \$700 | \$11,628 |
| LOT 8 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 9 | 0.10 | AA | 1.00 | \$700 | \$11,628 |
| LOT 10 | 0.10 | AA | 1.00 | \$700 | \$11,628 |
| LOT 11 | 0.10 | AA | 1.00 | \$700 | \$11,628 |
| LOT 12 | 0.10 | AA | 1.00 | \$700 | \$11,628 |
| LOT 13 | 0.10 | AA | 1.00 | \$700 | \$11,628 |
| LOT 14 | 0.10 | AA | 1.00 | \$700 | \$11,628 |
| LOT 15 | 0.11 | AA | 1.00 | \$700 | \$11,628 |
| LOT 16 | 0.10 | AA | 1.00 | \$700 | \$11,628 |
| LOT 17 | 0.10 | AA | 1.00 | \$700 | \$11,628 |
| LOT 18 | 0.10 | AA | 1.00 | \$700 | \$11,628 |
| LOT 19 | 0.10 | AA | 1.00 | \$700 | \$11,628 |
| LOT 20 | 0.10 | AA | 1.00 | \$700 | \$11,628 |
| LOT 21 | 0.10 | AA | 1.00 | \$700 | \$11,628 |
| LOT 22 | 0.09 | AA | 1.00 | \$700 | \$11,628 |
| LOT 23 | 0.15 | AA | 1.00 | \$700 | \$11,628 |
| LOT 24 | 0.11 | AA | 1.00 | \$700 | \$11,628 |

| Lot / Parcel | Acreage | Use Code / (a) | Assigned ERU | MADS / (b) | PAR |
|--------------|---------|----------------|--------------|------------|----------|
| LOT 25 | 0.11 | AA | 1.00 | \$700 | \$11,628 |
| LOT 26 | 0.10 | AA | 1.00 | \$700 | \$11,628 |
| LOT 27 | 0.10 | AA | 1.00 | \$700 | \$11,628 |
| LOT 28 | 0.10 | AA | 1.00 | \$700 | \$11,628 |
| LOT 29 | 0.10 | AA | 1.00 | \$700 | \$11,628 |
| LOT 30 | 0.10 | AA | 1.00 | \$700 | \$11,628 |
| LOT 31 | 0.10 | AA | 1.00 | \$700 | \$11,628 |
| LOT 32 | 0.10 | AA | 1.00 | \$700 | \$11,628 |
| LOT 33 | 0.10 | AA | 1.00 | \$700 | \$11,628 |
| LOT 34 | 0.10 | AA | 1.00 | \$700 | \$11,628 |
| LOT 35 | 0.09 | AA | 1.00 | \$700 | \$11,628 |
| LOT 36 | 0.09 | AA | 1.00 | \$700 | \$11,628 |
| LOT 37 | 0.09 | AA | 1.00 | \$700 | \$11,628 |
| LOT 38 | 0.09 | AA | 1.00 | \$700 | \$11,628 |
| LOT 39 | 0.09 | AA | 1.00 | \$700 | \$11,628 |
| LOT 40 | 0.09 | AA | 1.00 | \$700 | \$11,628 |
| LOT 41 | 0.09 | AA | 1.00 | \$700 | \$11,628 |
| LOT 42 | 0.17 | AA | 1.00 | \$700 | \$11,628 |
| LOT 43 | 0.16 | AA | 1.00 | \$700 | \$11,628 |
| LOT 44 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 45 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 46 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 47 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 48 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 49 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 50 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 51 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 52 | 0.12 | AA | 1.00 | \$700 | \$11,628 |

| Lot / Parcel | Acreage | Use Code / (a) | Assigned ERU | MADS / (b) | PAR |
|--------------|---------|----------------|--------------|------------|----------|
| LOT 53 | 0.15 | AA | 1.00 | \$700 | \$11,628 |
| LOT 54 | 0.15 | AA | 1.00 | \$700 | \$11,628 |
| LOT 55 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 56 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 57 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 58 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 59 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 60 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 61 | 0.15 | AA | 1.00 | \$700 | \$11,628 |
| LOT 62 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 63 | 0.21 | AA | 1.00 | \$700 | \$11,628 |
| LOT 64 | 0.13 | AA | 1.00 | \$700 | \$11,628 |
| LOT 65 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 66 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 67 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 68 | 0.21 | AA | 1.00 | \$700 | \$11,628 |
| LOT 69 | 0.26 | AA | 1.00 | \$700 | \$11,628 |
| LOT 70 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 71 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 72 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 73 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 74 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 75 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 76 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 77 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 78 | 0.17 | AA | 1.00 | \$700 | \$11,628 |
| LOT 79 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 80 | 0.12 | AA | 1.00 | \$700 | \$11,628 |

| Lot / Parcel | Acreage | Use Code / (a) | Assigned ERU | MADS / (b) | PAR |
|--------------|---------|----------------|--------------|------------|----------|
| LOT 81 | 0.13 | AA | 1.00 | \$700 | \$11,628 |
| LOT 82 | 0.13 | AA | 1.00 | \$700 | \$11,628 |
| LOT 83 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 266 | 0.17 | AA | 1.00 | \$700 | \$11,628 |
| LOT 267 | 0.17 | AA | 1.00 | \$700 | \$11,628 |
| LOT 268 | 0.14 | AA | 1.00 | \$700 | \$11,628 |
| LOT 269 | 0.14 | AA | 1.00 | \$700 | \$11,628 |
| LOT 270 | 0.14 | AA | 1.00 | \$700 | \$11,628 |
| LOT 271 | 0.16 | AA | 1.00 | \$700 | \$11,628 |
| LOT 272 | 0.16 | AA | 1.00 | \$700 | \$11,628 |
| LOT 273 | 0.17 | AA | 1.00 | \$700 | \$11,628 |
| LOT 274 | 0.17 | AA | 1.00 | \$700 | \$11,628 |
| LOT 275 | 0.16 | AA | 1.00 | \$700 | \$11,628 |
| LOT 276 | 0.16 | AA | 1.00 | \$700 | \$11,628 |
| LOT 277 | 0.16 | AA | 1.00 | \$700 | \$11,628 |
| LOT 278 | 0.28 | AA | 1.00 | \$700 | \$11,628 |
| LOT 279 | 0.19 | AA | 1.00 | \$700 | \$11,628 |
| LOT 280 | 0.19 | AA | 1.00 | \$700 | \$11,628 |
| LOT 281 | 0.25 | AA | 1.00 | \$700 | \$11,628 |
| LOT 282 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 283 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 284 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 285 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 286 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 287 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 288 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 289 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 290 | 0.12 | AA | 1.00 | \$700 | \$11,628 |

| Lot / Parcel | Acreage | Use Code / (a) | Assigned ERU | MADS / (b) | PAR |
|--------------|---------|----------------|--------------|------------|----------|
| LOT 291 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 292 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 293 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 294 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 295 | 0.17 | AA | 1.00 | \$700 | \$11,628 |
| LOT 296 | 0.19 | AA | 1.00 | \$700 | \$11,628 |
| LOT 297 | 0.15 | AA | 1.00 | \$700 | \$11,628 |
| LOT 298 | 0.15 | AA | 1.00 | \$700 | \$11,628 |
| LOT 299 | 0.15 | AA | 1.00 | \$700 | \$11,628 |
| LOT 300 | 0.15 | AA | 1.00 | \$700 | \$11,628 |
| LOT 301 | 0.15 | AA | 1.00 | \$700 | \$11,628 |
| LOT 302 | 0.15 | AA | 1.00 | \$700 | \$11,628 |
| LOT 303 | 0.18 | AA | 1.00 | \$700 | \$11,628 |
| LOT 304 | 0.24 | AA | 1.00 | \$700 | \$11,628 |
| LOT 305 | 0.28 | AA | 1.00 | \$700 | \$11,628 |
| LOT 306 | 0.20 | AA | 1.00 | \$700 | \$11,628 |
| LOT 307 | 0.16 | AA | 1.00 | \$700 | \$11,628 |
| LOT 308 | 0.14 | AA | 1.00 | \$700 | \$11,628 |
| LOT 309 | 0.14 | AA | 1.00 | \$700 | \$11,628 |
| LOT 310 | 0.22 | AA | 1.00 | \$700 | \$11,628 |
| LOT 311 | 0.23 | AA | 1.00 | \$700 | \$11,628 |
| LOT 312 | 0.16 | AA | 1.00 | \$700 | \$11,628 |
| LOT 313 | 0.16 | AA | 1.00 | \$700 | \$11,628 |
| LOT 314 | 0.17 | AA | 1.00 | \$700 | \$11,628 |
| LOT 315 | 0.17 | AA | 1.00 | \$700 | \$11,628 |
| LOT 316 | 0.17 | AA | 1.00 | \$700 | \$11,628 |
| LOT 317 | 0.17 | AA | 1.00 | \$700 | \$11,628 |
| LOT 318 | 0.16 | AA | 1.00 | \$700 | \$11,628 |

| Lot / Parcel | Acreage | Use Code / (a) | Assigned ERU | MADS / (b) | PAR |
|--------------|---------|----------------|--------------|------------|----------|
| LOT 319 | 0.14 | AA | 1.00 | \$700 | \$11,628 |
| LOT 320 | 0.14 | AA | 1.00 | \$700 | \$11,628 |
| LOT 321 | 0.15 | AA | 1.00 | \$700 | \$11,628 |
| LOT 322 | 0.29 | AA | 1.00 | \$700 | \$11,628 |
| LOT 323 | 0.16 | AA | 1.00 | \$700 | \$11,628 |
| LOT 324 | 0.16 | AA | 1.00 | \$700 | \$11,628 |
| LOT 325 | 0.15 | AA | 1.00 | \$700 | \$11,628 |
| LOT 326 | 0.16 | AA | 1.00 | \$700 | \$11,628 |
| LOT 327 | 0.16 | AA | 1.00 | \$700 | \$11,628 |
| LOT 328 | 0.15 | AA | 1.00 | \$700 | \$11,628 |
| LOT 329 | 0.19 | AA | 1.00 | \$700 | \$11,628 |
| LOT 330 | 0.17 | AA | 1.00 | \$700 | \$11,628 |
| LOT 331 | 0.16 | AA | 1.00 | \$700 | \$11,628 |
| LOT 332 | 0.14 | AA | 1.00 | \$700 | \$11,628 |
| LOT 333 | 0.16 | AA | 1.00 | \$700 | \$11,628 |
| LOT 334 | 0.21 | AA | 1.00 | \$700 | \$11,628 |
| LOT 335 | 0.21 | AA | 1.00 | \$700 | \$11,628 |
| LOT 336 | 0.17 | AA | 1.00 | \$700 | \$11,628 |
| LOT 337 | 0.17 | AA | 1.00 | \$700 | \$11,628 |
| LOT 338 | 0.17 | AA | 1.00 | \$700 | \$11,628 |
| LOT 339 | 0.15 | AA | 1.00 | \$700 | \$11,628 |
| LOT 340 | 0.15 | AA | 1.00 | \$700 | \$11,628 |
| LOT 341 | 0.16 | AA | 1.00 | \$700 | \$11,628 |
| LOT 342 | 0.20 | AA | 1.00 | \$700 | \$11,628 |
| LOT 343 | 0.15 | AA | 1.00 | \$700 | \$11,628 |
| LOT 344 | 0.16 | AA | 1.00 | \$700 | \$11,628 |
| LOT 345 | 0.16 | AA | 1.00 | \$700 | \$11,628 |
| LOT 346 | 0.16 | AA | 1.00 | \$700 | \$11,628 |

| Lot / Parcel | Acreage | Use Code / (a) | Assigned ERU | MADS / (b) | PAR |
|--------------|---------|----------------|--------------|------------|----------|
| LOT 347 | 0.20 | AA | 1.00 | \$700 | \$11,628 |
| LOT 348 | 0.20 | AA | 1.00 | \$700 | \$11,628 |
| LOT 349 | 0.21 | AA | 1.00 | \$700 | \$11,628 |
| LOT 350 | 0.16 | AA | 1.00 | \$700 | \$11,628 |
| LOT 351 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 352 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 353 | 0.15 | AA | 1.00 | \$700 | \$11,628 |
| LOT 354 | 0.15 | AA | 1.00 | \$700 | \$11,628 |
| LOT 355 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 356 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 357 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 358 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 359 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 360 | 0.12 | AA | 1.00 | \$700 | \$11,628 |
| LOT 395 | 0.20 | AA | 1.00 | \$700 | \$11,628 |
| LOT 396 | 0.17 | AA | 1.00 | \$700 | \$11,628 |
| LOT 397 | 0.17 | AA | 1.00 | \$700 | \$11,628 |
| LOT 398 | 0.14 | AA | 1.00 | \$700 | \$11,628 |
| LOT 399 | 0.14 | AA | 1.00 | \$700 | \$11,628 |
| LOT 400 | 0.14 | AA | 1.00 | \$700 | \$11,628 |
| LOT 401 | 0.14 | AA | 1.00 | \$700 | \$11,628 |
| LOT 402 | 0.14 | AA | 1.00 | \$700 | \$11,628 |
| LOT 403 | 0.16 | AA | 1.00 | \$700 | \$11,628 |
| LOT 440 | 0.17 | AA | 1.00 | \$700 | \$11,628 |
| LOT 441 | 0.24 | AA | 1.00 | \$700 | \$11,628 |
| LOT 442 | 0.21 | AA | 1.00 | \$700 | \$11,628 |
| LOT 443 | 0.18 | AA | 1.00 | \$700 | \$11,628 |
| LOT 444 | 0.19 | AA | 1.00 | \$700 | \$11,628 |

| Lot / Parcel | Acreage | Use Code / (a) | Assigned ERU | MADS / (b) | PAR |
|--------------|---------|----------------|--------------|------------|-------------|
| LOT 445 | 0.16 | AA | 1.00 | \$700 | \$11,628 |
| LOT 446 | 0.16 | AA | 1.00 | \$700 | \$11,628 |
| LOT 447 | 0.16 | AA | 1.00 | \$700 | \$11,628 |
| LOT 448 | 0.16 | AA | 1.00 | \$700 | \$11,628 |
| TRACT 2 | 19.71 | Not Platted | 105.00 | \$73,463 | \$1,220,930 |
| TRACT A-1 | 10.71 | POAP | 0.00 | \$0 | \$0 |
| TRACT C-1 | 24.56 | POAP | 0.00 | \$0 | \$0 |
| TRACT C-5 | 3.62 | POAP | 0.00 | \$0 | \$0 |
| TRACT C-6 | 4.36 | POAP | 0.00 | \$0 | \$0 |
| TRACT C-7 | 1.54 | POAP | 0.00 | \$0 | \$0 |
| TRACT C-8A | 14.14 | POAP | 0.00 | \$0 | \$0 |
| TRACT D-0 | 2.24 | POAP | 0.00 | \$0 | \$0 |
| TRACT D-1 | 4.97 | POAP | 0.00 | \$0 | \$0 |
| TRACT D-2 | 1.20 | POAP | 0.00 | \$0 | \$0 |
| TRACT D-3 | 0.97 | POAP | 0.00 | \$0 | \$0 |
| TRACT D-4 | 2.74 | POAP | 0.00 | \$0 | \$0 |
| TRACT D-5 | 3.22 | POAP | 0.00 | \$0 | \$0 |
| TRACT D-6 | 2.97 | POAP | 0.00 | \$0 | \$0 |
| TRACT D-7 | 6.53 | POAP | 0.00 | \$0 | \$0 |
| TRACT D-8 | 1.85 | POAP | 0.00 | \$0 | \$0 |
| TRACT D-9 | 1.55 | POAP | 0.00 | \$0 | \$0 |
| TRACT E-1 | 0.98 | PP | 0.00 | \$0 | \$0 |
| TRACT E-2 | 1.73 | PP | 0.00 | \$0 | \$0 |
| TRACT F-0 | 3.50 | POAP | 0.00 | \$0 | \$0 |
| TRACT G-1 | 0.08 | PP | 0.00 | \$0 | \$0 |
| TRACT N-1 | 0.05 | POAP | 0.00 | \$0 | \$0 |
| TRACT N-1A | 0.11 | POAP | 0.00 | \$0 | \$0 |
| TRACT O-1 | 0.60 | POAP | 0.00 | \$0 | \$0 |

| Lot / Parcel | Acreage | Use Code / (a) | Assigned ERU | MADS / (b) | PAR |
|--------------|---------------|----------------|---------------|------------------|--------------------|
| TRACT O-2 | 1.63 | POAP | 0.00 | \$0 | \$0 |
| TRACT O-3 | 0.07 | POAP | 0.00 | \$0 | \$0 |
| TRACT O-4 | 0.20 | POAP | 0.00 | \$0 | \$0 |
| TRACT O-5 | 1.49 | PP | 0.00 | \$0 | \$0 |
| TRACT O-6 | 0.03 | POAP | 0.00 | \$0 | \$0 |
| TRACT O-7 | 0.18 | POAP | 0.00 | \$0 | \$0 |
| TRACT O-8 | 0.10 | POAP | 0.00 | \$0 | \$0 |
| TRACT O-9 | 0.78 | POAP | 0.00 | \$0 | \$0 |
| TRACT RW-1 | 0.01 | PP | 0.00 | \$0 | \$0 |
| Total | 146.91 | | 301.00 | \$210,594 | \$3,500,000 |

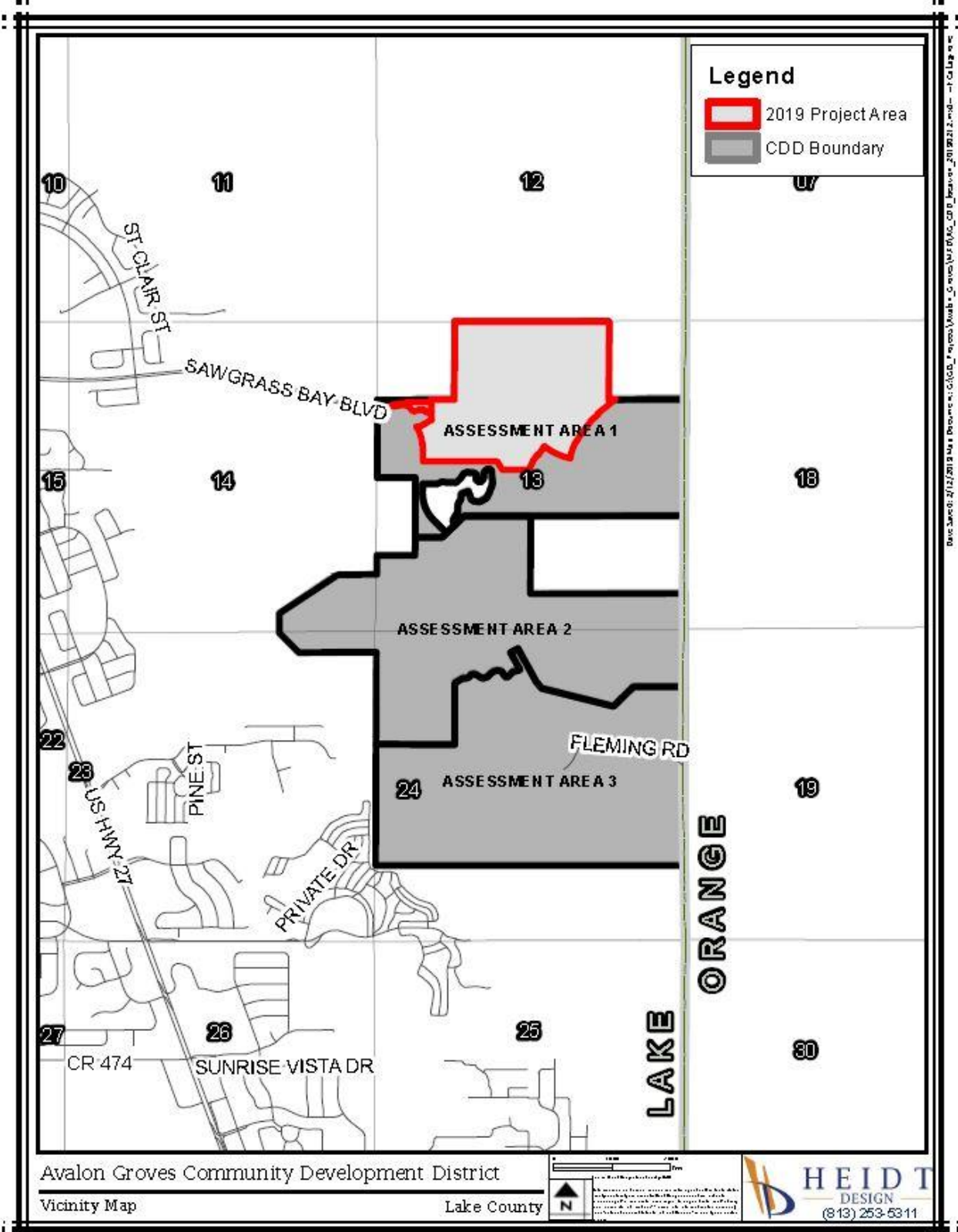
Footnote:

(a) AA means Active Adult lot; POAP means Property Owner Association Property; PP means Public Property. The Assessments will remain assigned against property that is not platted on an equal acreage basis until it is platted.

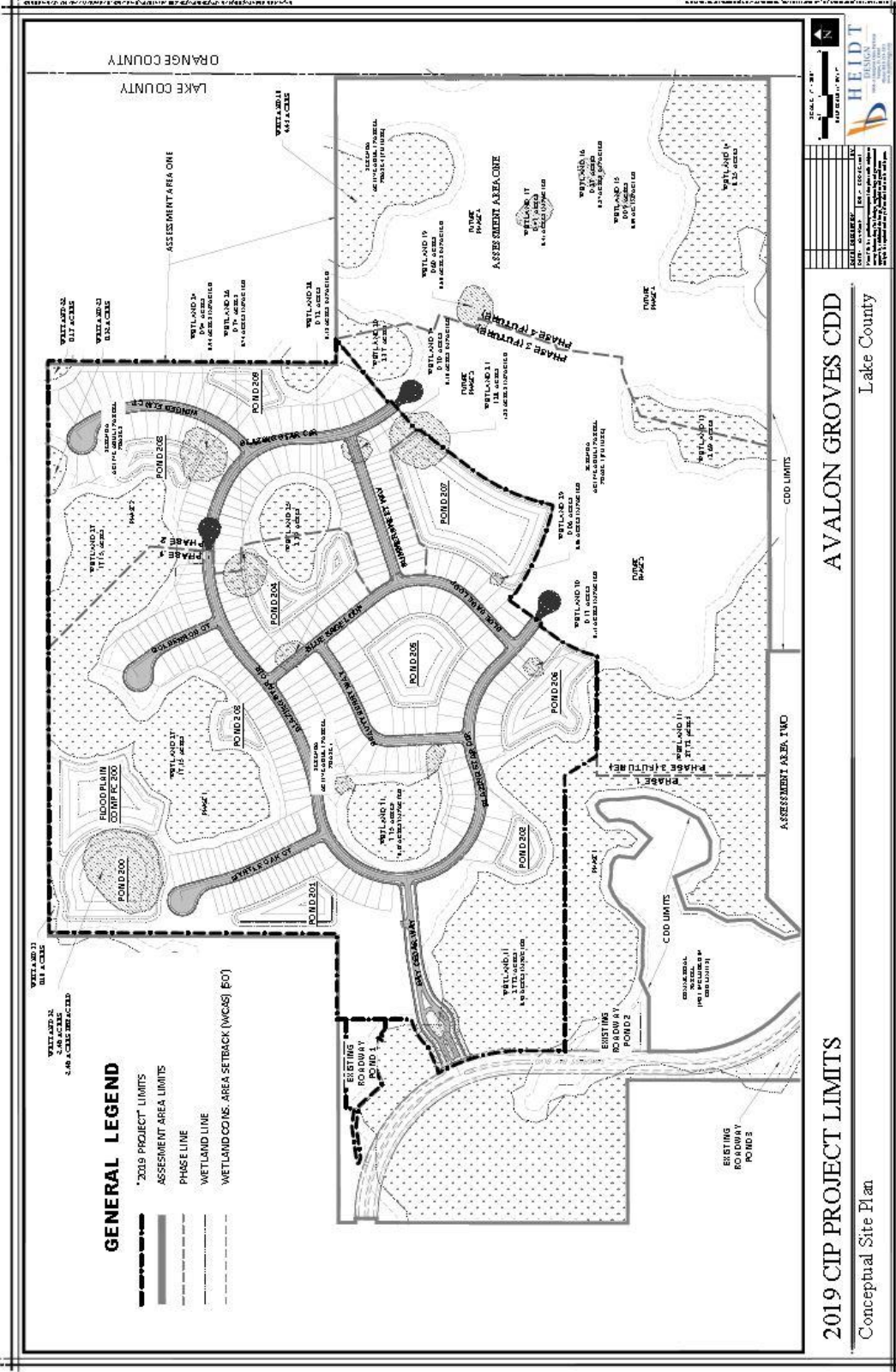
(b) Excluding County collection charges and early payment discounts

Active Adult Lots section)

Map of 2019 Project Area (Phases 1 and 2 of



Conceptual Site Plan



SCALE: 1" = 40'

HEIDT DESIGN

DATE: 10/15/2019

PROJECT: AVALON GROVES CDD

DRAWN BY: [Name]

CHECKED BY: [Name]

APPROVED BY: [Name]

AVALON GROVES CDD

Lake County

2019 CIP PROJECT LIMITS

Conceptual Site Plan

Legal Descriptions

SERENOA ACTIVE ADULT PHASE 1 AND 2

DESCRIPTION: A parcel of land lying in Section 13, Township 24 South, Range 26 East, Lake County, Florida, and being more particularly described as follows:

COMMENCE at the Northwest corner said Section 13, run thence along the North boundary of the Northwest 1/4 of said Section 13, N.89°54'06"E., a distance of 1312.67 feet to the Northwest corner of the Northeast 1/4 of the Northwest 1/4 of said Section 13, also being the **POINT OF BEGINNING**; continue along said North boundary, N.89°54'06"E., a distance of 1313.06 feet to the North 1/4 corner of said Section 13; thence along the North boundary of the Northeast 1/4 of said Section 13, N.89°53'52"E., a distance of 1324.47 feet to the Northeast corner of the Northwest 1/4 of the Northeast 1/4 of said Section 13; thence along the East boundary of the Northwest 1/4 of the Northeast 1/4 of said Section 13, S.00°19'36"W., a distance of 1326.88 feet to the Southeast corner of the Northwest 1/4 of the Northeast 1/4 of said Section 13; thence along the North boundary of the Southeast 1/4 of the Northeast 1/4 of said Section 13, N.89°53'00"E., a distance of 108.32 feet; thence S.50°29'32"W., a distance of 382.79 feet; thence S.40°11'53"E., a distance of 14.38 feet; thence S.49°06'43"W., a distance of 178.00 feet; thence S.03°44'26"W., a distance of 19.73 feet; thence S.37°07'57"W., a distance of 319.14 feet; thence S.34°18'17"W., a distance of 42.19 feet; thence S.30°16'40"W., a distance of 84.35 feet; thence S.24°35'23"W., a distance of 84.35 feet; thence S.18°54'05"W., a distance of 84.35 feet; thence S.14°38'07"W., a distance of 95.59 feet; thence N.80°22'29"W., a distance of 36.07 feet; thence N.73°50'46"W., a distance of 49.04 feet; thence N.71°38'33"W., a distance of 49.04 feet; thence N.69°26'19"W., a distance of 49.04 feet; thence N.67°07'29"W., a distance of 53.94 feet; thence N.64°42'02"W., a distance of 53.94 feet; thence N.62°23'12"W., a distance of 49.04 feet; thence N.60°10'59"W., a distance of 49.04 feet; thence N.57°58'45"W., a distance of 49.04 feet; thence N.42°31'25"W., a distance of 50.15 feet; thence S.35°19'35"W., a distance of 189.50 feet; thence N.54°23'08"W., a distance of 14.60 feet; thence S.35°54'08"W., a distance of 122.00 feet; thence S.27°48'56"W., a distance of 53.56 feet; thence S.23°53'41"W., a distance of 63.68 feet; thence S.16°23'30"W., a distance of 63.68 feet; thence N.77°21'36"W., a distance of 20.68 feet; thence N.90°00'00"W., a distance of 441.20 feet; thence N.31°33'13"W., a distance of 172.63 feet; thence S.89°53'28"W., a distance of 1269.26 feet to a point on the Easterly right of way line of Sawgrass Bay Boulevard as recorded in Official Records Book 4931, Page 828, of the Public Records of Lake County, Florida; thence along said Easterly right of way line the following two (2) courses: 1) N.00°17'48"E., a distance of 193.21 feet; 2) Northerly, 410.61 feet along the arc of a tangent curve to the left having a radius of 773.00 feet and a central angle of 30°26'06" (chord bearing N.14°55'15"W., 405.80 feet); thence N.78°17'26"E., a distance of 24.20 feet; thence N.66°32'33"E., a distance of 103.40 feet; thence Northeasterly, 6.73 feet along the arc of a tangent curve to the left having a radius of 16.00 feet and a central angle of 24°04'57" (chord bearing N.54°30'04"E., 6.68 feet); thence Northeasterly, 146.79 feet along the arc of a reverse curve to the right having a radius of 247.00 feet and a central angle of 34°02'59" (chord bearing N.59°29'05"E., 144.64 feet); thence N.00°06'54"W., a distance of 343.40 feet to a point on the North boundary of the Southwest 1/4 of the Northwest 1/4 of the aforesaid Section 13; thence along said North boundary, N.89°53'06"E., a distance of 396.48 feet to the Southwest corner of the Northeast 1/4 of the Northwest 1/4 of the aforesaid Section 13; thence along the West boundary of the Northeast 1/4 of the Northwest 1/4 of the aforesaid Section 13, N.00°15'40"E., a distance of 1326.91 feet to the **POINT OF BEGINNING**.

Containing 146.901 acres, more or less.

EXHIBIT 6

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

(This space reserved for Clerk)

Jason M. Walters, Esq.
HOPPING GREEN & SAMS P.A.
119 South Monroe Street, Suite 300
Tallahassee, Florida 32301

**TRUE-UP AGREEMENT
(SERIES 2019 BONDS)**

THIS TRUE-UP AGREEMENT (2019 BONDS) (“**Agreement**”) is made and entered into as of this 30th of July, 2019, by and between:

Avalon Groves Community Development District, a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*, being situated in Lake County, Florida, and whose mailing address is 1060 Maitland Center Commons, Suite 340, Maitland, Florida 32751 (“**District**”); and

Forestar (USA) Real Estate Group, Inc., a Delaware corporation, an owner and primary developer of lands within the boundary of the District, and whose address is 10700 Pecan Park Boulevard, Suite 150, Austin, Texas 78750 (“**Developer**”).

RECITALS

WHEREAS, the District was established by ordinance of the Board of County Commissioners of Lake County, Florida, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, *Florida Statutes*, as amended (“**Act**”), and is validly existing under the constitution and laws of the State of Florida; and

WHEREAS, the Act authorizes the District to issue bonds for the purposes, among others, of planning, financing, constructing, installing, operating, and/or maintaining certain infrastructure, including roadways, stormwater management, utilities (water & sewer), off-site improvements, landscaping/lighting, and other infrastructure within or without the boundaries of the District; and

WHEREAS, the Developer is currently an owner and primary developer of the lands within the District known as “**Phases 1 and 2 Sub-Assessment Area One**,” as described in **Exhibit A** attached hereto; and

WHEREAS, for the benefit of Phases 1 and 2 Sub-Assessment Area One, the District presently intends to finance the planning, design, acquisition, construction, and installation of certain infrastructure improvements, facilities, and services known as the “**Phases 1 and 2 Sub-Assessment Area One Project**” and as defined in the *Preliminary Engineer’s Report*, dated October 11, 2016, as supplemented by the *Avalon Groves Community Development District*

True-Up – Phases 1 and 2 Sub-Assessment Area One

Engineer's Supplemental Report – 2019 Bond Issuance, dated May 31, 2019 (together, “**Engineer's Report**”); and

WHEREAS, the District intends to finance a portion of the Phases 1 and 2 Sub-Assessment Area One Project through the use of proceeds from the anticipated sale of \$3,500,000 in aggregate principal amount of Avalon Groves Community Development District (Lake County, Florida) Special Assessment Bonds, Series 2019 (Phases 1 and 2 Sub-Assessment Area One Project) (“**2019 Bonds**”); and

WHEREAS, pursuant to Resolution Nos. 2017-01, 2017-02, 2017-08, 2017-14 and 2019-06, (together, “**Assessment Resolutions**”), the District has taken certain steps necessary to impose a special assessment lien (“**2019 Assessments**”) on Phases 1 and 2 Sub-Assessment Area One pursuant to Chapters 170, 190 and 197, *Florida Statutes*, to secure repayment of the 2019 Bonds; and

WHEREAS, as part of the Assessment Resolutions, the District adopted: (1) *Master Assessment Methodology Report*, dated October 27, 2016; and, (2) *Second Supplemental Special Assessment Methodology Report*, dated July 9, 2019 (together, “**Assessment Report**”), all of which are on file with the District and expressly incorporated herein by this reference; and

WHEREAS, Developer agrees that all lands within Phases 1 and 2 Sub-Assessment Area One benefit from the timely design, construction, or acquisition of the Phases 1 and 2 Sub-Assessment Area One Project; and

WHEREAS, Developer agrees that the 2019 Assessments, which were imposed on the lands within the District, have been validly imposed and constitute valid, legal, and binding liens upon the lands within the District; and

WHEREAS, the Assessment Resolutions together with the Assessment Report provide that as the lands within the District are platted, the allocation of the amounts assessed to and constituting a lien upon the lands within the District would be calculated based upon certain density assumptions relating to the number of each type of residential unit to be constructed on the developable acres within the District, which assumptions were provided by Developer; and

WHEREAS, Developer intends to plat and develop its lands within the District based on then-existing market conditions, and the actual densities developed may be at some density less than the densities assumed in the Assessment Report; and

WHEREAS, as more fully described by the Assessment Resolutions, the Assessment Report anticipates a mechanism by which the Developer shall make certain payments to the District in order to satisfy, in whole or in part, the assessments allocated and the liens imposed pursuant to the Assessment Resolutions, with the amount of such payments being determined generally by a calculation of the principal amount of assessments to be assigned under the Assessment Report as compared to the amount able to be assigned as reconfigured (which payments shall collectively be referenced as the “**True-Up Payment**”).

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

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

2. **VALIDITY OF ASSESSMENTS.** Developer agrees that the Assessment Resolutions have been duly adopted by the District. Developer further agrees that the 2019 Assessments imposed as liens by the District are legal, valid, and binding liens on the land against which assessed until paid, co-equal with the liens of all state, county, district, and municipal taxes, and superior in dignity to all other liens, titles, and claims. Developer waives any defect in notice or publication or in the proceedings to levy, impose, and collect the 2019 Assessments on the lands within the District, and further waives and relinquishes any rights it may have to challenge, object to or otherwise fail to pay such 2019 Assessments. Developer further agrees that to the extent Developer fails to timely pay all 2019 Assessments collected by mailed notice of the District, said unpaid 2019 Assessments (including True-Up Payments) may be placed on the tax roll by the District for collection by the Lake County Tax Collector pursuant to Section 197.3632, *Florida Statutes*, in any subsequent year.

3. **WAIVER OF PREPAYMENT RIGHT.** Developer waives any rights it may have under Section 170.09, *Florida Statutes*, to prepay the 2019 Assessments without interest within thirty (30) days of completion of the improvements.

4. **SPECIAL ASSESSMENT REALLOCATION.**

(a) The following “true-up” process applies to each of the two liens established under the Assessment Resolutions. As parcels of land or lots are platted, the 2019 Assessments securing the 2019 Bonds shall be allocated as set forth in such Assessment Report. In furtherance thereof, at such time as parcels or land or lots are platted, and at the intervals identified in the Assessment Report, it shall be an express condition of the liens established by the Assessment Resolutions that any and all plats of any portion of the lands within the District, as the District’s boundaries may be amended from time to time, shall be presented to the District Manager for review, approval and calculation of the percentage of acres and numbers of units which will be, after the plat, considered to be developed. No further action by the Board of Supervisors shall be required. The District’s review shall be limited solely to this function and the enforcement of the liens established by the Assessment Resolutions. The District Manager shall cause the 2019 Assessments to be reallocated to the units being platted and the remaining property in accordance with the Assessment Report, cause such reallocation to be recorded in the District’s Improvement Lien Book, and shall perform the true-up calculations described in the Assessment Report, which process is incorporated herein as if fully set forth. Any resulting True-Up Payment shall become due and payable that tax year by the landowner(s) of record of the remaining property, in addition to the regular assessment installment payable with respect to the remaining developable acres.

(b) The foregoing is based on the District's understanding that the unit numbers and types shown in the Assessment Report shall be developed on the net developable acres within Phases 1 and 2 Sub-Assessment Area One and is intended to ensure that the appropriate ratio of the 2019 Assessments to developable acres is maintained if fewer units are developed. However, no action by the District prohibits more than the maximum units shown in the Assessment Report from being developed. In no event shall the District collect 2019 Assessments in excess of the total debt service related to the Phases 1 and 2 Sub-Assessment Area One Project, including all costs of financing and interest. The District recognizes that such events as regulatory requirements and market conditions may affect the timing and scope of the development in the District. If the strict application of the true-up methodology to any assessment reallocation pursuant to this paragraph would result in 2019 Assessments collected in excess of the District's total debt service obligation for the Phases 1 and 2 Sub-Assessment Area One Project, the Board shall by resolution take appropriate action to equitably reallocate the 2019 Assessments. Further, upon the District's review of the final plat for the developable acres, any unallocated 2019 Assessments shall become due and payable and must be paid prior to the District's approval of that plat.

5. ENFORCEMENT. This Agreement is intended to be an additional method of enforcement of Developer's obligation to pay the 2019 Assessments and to abide by the requirements of the reallocation of 2019 Assessments, including the making of the True-Up Payment, as set forth in the Assessment Resolutions. A default by either party under this Agreement shall entitle any other party to all remedies available at law or in equity, which shall include, but not be limited to, the right of damages, injunctive relief, and specific performance.

6. ASSIGNMENT.

- a. ***Agreement Runs with Land*** – This Agreement shall constitute a covenant running with title to Phases 1 and 2 Sub-Assessment Area One, binding upon Developer and its successors and assigns as to Phases 1 and 2 Sub-Assessment Area One or portions thereof, and any transferee of any portion of Phases 1 and 2 Sub-Assessment Area One as set forth in this Section.
- b. ***Transfer Conditions*** – Developer shall not transfer any portion of Phases 1 and 2 Sub-Assessment Area One to any third party, without satisfying the following conditions (“**Transfer Conditions**”): (i) satisfying any True-Up Payment that results from any true-up determinations made by the District, and (ii) obtaining an estoppel letter from the District addressing the same, provided however that with respect to the transfer of platted and fully developed lots to end users, the Transfer Conditions shall only include item (i), and item (ii) shall not be required. Any transfer that is consummated pursuant to this Section shall operate as a release of Developer from its obligations under this Agreement as to such portion of Phases 1 and 2 Sub-Assessment Area One transferred and only arising from and after the date of such transfer and satisfaction of all of the Transfer Conditions including payment of any True-Up Payments due. Further, the transferee, which by recording or causing to be recorded in the Public Records of Lake County the deed transferring such portion of Phases 1 and 2 Sub-Assessment Area One to the

transferee, shall be deemed to assume Developer’s obligations in accordance herewith, and shall be deemed the “Developer” from and after such transfer for all purposes as to such portion of Phases 1 and 2 Sub-Assessment Area One so transferred. Regardless whether the conditions of this subsection are met, any transferee shall take title subject to the terms of this Agreement.

As a point of clarification to control over any contrary terms in this Agreement (if any), and provided that any True-Up Payment is first made (which may be confirmed from an estoppel letter issued by the District through its District Manager), any platted and fully developed lot that: (i) is conveyed to a homebuilder and that is restricted from re-platting, or (ii) is conveyed to an end user with a home that has received a certificate of occupancy, is automatically and forever released from the terms and conditions of this Agreement, as may be amended.

7. **ATTORNEYS’ FEES AND COSTS.** In the event that either party is required to enforce this Agreement by court proceedings or otherwise, then the parties agree that the prevailing party shall be entitled to recover from the other all fees and costs incurred, including reasonable attorneys’ fees and costs for trial, alternative dispute resolution, or appellate proceedings.

8. **AMENDMENTS.** Amendments to and waivers of the provisions contained in this Agreement may be made only by an instrument in writing which is executed by both the District and the Developer. Additionally, this Agreement may not be amended without the prior written consent of the Trustee and the bondholders owning a majority of the aggregate principal amount of the 2019 Bonds then outstanding, which consent shall not be unreasonably withheld.

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

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

A. If to the District: Avalon Groves Community
Development District
1060 Maitland Center Commons, Suite 340
Maitland, Florida 32751
Attn: District Manager

With a copy to: Hopping Green & Sams P.A.
119 South Monroe Street, Suite 300
Post Office Box 6526 (32314)

Tallahassee, Florida 32301
Attn: District Counsel

B. If to the Developer: Forestar (USA) Real Estate Group, Inc
10700 Pecan Park Boulevard
Suite 150
Austin, Texas 78750
Attn: _____

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

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

12. THIRD-PARTY BENEFICIARIES. This Agreement is solely for the benefit of the District and the Developer and no right or cause of action shall accrue upon or by reason, to or for the benefit of any third party not a formal party to this Agreement. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person or corporation other than the District and the Developer any right, remedy, or claim under or by reason of this Agreement or any of the provisions or conditions of this Agreement; and all of the provisions, representations, covenants, and conditions contained in this Agreement shall inure to the sole benefit of and shall be binding upon the District and the Developer and their respective representatives, successors, and assigns. Notwithstanding anything in this Agreement to the contrary, the Trustee for the 2019 Bonds shall be a direct third-party beneficiary of the terms and conditions of this Agreement and shall be entitled to enforce the Developer's obligations hereunder. The Trustee shall not be deemed to have assumed any obligations under this Agreement.

True-Up – Phases 1 and 2 Sub-Assessment Area One

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

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

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

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

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

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

19. EFFECTIVE DATE. This Agreement shall be effective as of the date first written above.

[THIS SPACE INTENTIONALLY LEFT BLANK]

WITNESS

FORESTAR (USA) REAL ESTATE GROUP, INC.,

a Delaware corporation

By: _____
Name: _____
Title: _____

By: _____
Name: Matthew S. Stark
Its: Senior Vice President, Real Estate & Corporate Counsel, and Assistant Secretary

By: _____
Name: _____
Title: _____

STATE OF TEXAS
COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of July, 2019, by Matthew S. Stark, as an authorized representative of **FORESTAR (USA) REAL ESTATE GROUP, INC.**, who appeared before me this day in person, and who is either personally known to me or produced _____ as identification.

NOTARY PUBLIC, STATE OF TEXAS

Name: _____
(Name of Notary Public, Printed, Stamped or Typed as Commissioned)

(NOTARY SEAL)

WITNESS

**AVALON GROVES COMMUNITY
DEVELOPMENT DISTRICT**

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Title: _____

**STATE OF FLORIDA
COUNTY OF _____**

The foregoing instrument was acknowledged before me this ____ day of July, 2019, by _____, as Chairperson of **THE AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT**, who appeared before me this day in person, and who is either personally known to me, or produced _____ as identification.

NOTARY PUBLIC, STATE OF FLORIDA

Name: _____
(Name of Notary Public, Printed, Stamped or
Typed as Commissioned)

(NOTARY SEAL)

EXHIBIT A: Legal Description for Phases 1 and 2 Sub-Assessment Area One

EXHIBIT A
Legal Description for Phases 1 and 2 Sub-Assessment Area One

SERENOA ACTIVE ADULT PHASE 1 AND 2

DESCRIPTION: A parcel of land lying in Section 13, Township 24 South, Range 26 East, Lake County, Florida, and being more particularly described as follows:

COMMENCE at the Northwest corner said Section 13, run thence along the North boundary of the Northwest 1/4 of said Section 13, N.89°54'06"E., a distance of 1312.67 feet to the Northwest corner of the Northeast 1/4 of the Northwest 1/4 of said Section 13, also being the **POINT OF BEGINNING**; continue along said North boundary, N.89°54'06"E., a distance of 1313.06 feet to the North 1/4 corner of said Section 13; thence along the North boundary of the Northeast 1/4 of said Section 13, N.89°53'52"E., a distance of 1324.47 feet to the Northeast corner of the Northwest 1/4 of the Northeast 1/4 of said Section 13; thence along the East boundary of the Northwest 1/4 of the Northeast 1/4 of said Section 13, S.00°19'36"W., a distance of 1326.88 feet to the Southeast corner of the Northwest 1/4 of the Northeast 1/4 of said Section 13; thence along the North boundary of the Southeast 1/4 of the Northeast 1/4 of said Section 13, N.89°53'00"E., a distance of 108.32 feet; thence S.50°29'32"W., a distance of 382.79 feet; thence S.40°11'53"E., a distance of 14.38 feet; thence S.49°06'43"W., a distance of 178.00 feet; thence S.03°44'26"W., a distance of 19.73 feet; thence S.37°07'57"W., a distance of 319.14 feet; thence S.34°18'17"W., a distance of 42.19 feet; thence S.30°16'40"W., a distance of 84.35 feet; thence S.24°35'23"W., a distance of 84.35 feet; thence S.18°54'05"W., a distance of 84.35 feet; thence S.14°38'07"W., a distance of 95.59 feet; thence N.80°22'29"W., a distance of 36.07 feet; thence N.73°50'46"W., a distance of 49.04 feet; thence N.71°38'33"W., a distance of 49.04 feet; thence N.69°26'19"W., a distance of 49.04 feet; thence N.67°07'29"W., a distance of 53.94 feet; thence N.64°42'02"W., a distance of 53.94 feet; thence N.62°23'12"W., a distance of 49.04 feet; thence N.60°10'59"W., a distance of 49.04 feet; thence N.57°58'45"W., a distance of 49.04 feet; thence N.42°31'25"W., a distance of 50.15 feet; thence S.35°19'35"W., a distance of 189.50 feet; thence N.54°23'08"W., a distance of 14.60 feet; thence S.35°54'08"W., a distance of 122.00 feet; thence S.27°48'56"W., a distance of 53.56 feet; thence S.23°53'41"W., a distance of 63.68 feet; thence S.16°23'30"W., a distance of 63.68 feet; thence N.77°21'36"W., a distance of 20.68 feet; thence N.90°00'00"W., a distance of 441.20 feet; thence N.31°33'13"W., a distance of 172.63 feet; thence S.89°53'28"W., a distance of 1269.26 feet to a point on the Easterly right of way line of Sawgrass Bay Boulevard as recorded in Official Records Book 4931, Page 828, of the Public Records of Lake County, Florida; thence along said Easterly right of way line the following two (2) courses: 1) N.00°17'48"E., a distance of 193.21 feet; 2) Northerly, 410.61 feet along the arc of a tangent curve to the left having a radius of 773.00 feet and a central angle of 30°26'06" (chord bearing N.14°55'15"W., 405.80 feet); thence N.78°17'26"E., a distance of 24.20 feet; thence N.66°32'33"E., a distance of 103.40 feet; thence Northeasterly, 6.73 feet along the arc of a tangent curve to the left having a radius of 16.00 feet and a central angle of 24°04'57" (chord bearing N.54°30'04"E., 6.68 feet); thence Northeasterly, 146.79 feet along the arc of a reverse curve to the right having a radius of 247.00 feet and a central angle of 34°02'59" (chord bearing N.59°29'05"E., 144.64 feet); thence N.00°06'54"W., a distance of 343.40 feet to a point on the North boundary of the Southwest 1/4 of the Northwest 1/4 of the aforesaid Section 13; thence along said North boundary, N.89°53'06"E., a distance of 396.48 feet to the Southwest corner of the Northeast 1/4 of the Northwest 1/4 of the aforesaid Section 13; thence along the West boundary of the Northeast 1/4 of the Northwest 1/4 of the aforesaid Section 13, N.00°15'40"E., a distance of 1326.91 feet to the **POINT OF BEGINNING**.

Containing 146.901 acres, more or less.

EXHIBIT 7

**2019 ACQUISITION AGREEMENT
(PHASES 1-4 SUB-ASSESSMENT AREA ONE)**

THIS 2019 ACQUISITION AGREEMENT (PHASES 1-4 SUB-ASSESSMENT AREA ONE) (“**Agreement**”) is made and entered into, by and between:

Avalon Groves Community Development District, a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*, being situated in Lake County, Florida, and whose mailing address is 1060 Maitland Center Commons, Suite 340, Maitland, Florida 32751 (“**District**”); and

Forestar (USA) Real Estate Group, Inc., a Delaware corporation, an owner and primary developer of lands within the boundary of the District whose address is 10700 Pecan Park Boulevard, Suite 150, Austin, Texas 78750 (“**Developer**”).

RECITALS

WHEREAS, the District was established by ordinance adopted by the Board of County Commissioners in and for Lake County, Florida, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, *Florida Statutes*, as amended (“**Act**”), and is validly existing under the Constitution and laws of the State of Florida; and

WHEREAS, the Act authorizes the District to issue bonds for the purpose, among others, of planning, financing, constructing, operating and/or maintaining certain infrastructure, roadways, stormwater management, utilities (water & sewer), offsite improvements, landscaping/lighting, and other infrastructure within or without the boundaries of the District; and

WHEREAS, the Developer is the primary owner of certain lands in unincorporated Lake County, Florida (“**County**”), located within the boundaries of the District; and

WHEREAS, the District presently intends to finance the planning, design, acquisition, construction, and installation of certain infrastructure improvements, facilities, and services known as the “**Project**” and as detailed in the *Preliminary Engineer’s Report*, dated October 11, 2016, as supplemented by the *Avalon Groves Community Development District Engineer’s Supplemental Report – 2019 Bond Issuance*, dated May 31, 2019 (together, “**Engineer’s Report**”), attached to this Agreement as **Exhibit A**; and

WHEREAS, the District intends to finance all or a portion of the Project through the use of proceeds from one or more series of future special assessment bonds, including but not limited to the Special Assessment Bonds, Series 2019 (together, “**Bonds**”); and

WHEREAS, the District has not had sufficient monies on hand to allow the District to contract directly for: (i) the preparation of the surveys, testing, reports, drawings, plans, permits, specifications, and related documents necessary to complete the Project (“**Work Product**”); or

(ii) construction and/or installation of the improvements comprising the Project (“**Improvements**”); and

WHEREAS, the District acknowledges the Developer’s need to commence development of the lands within the District in an expeditious and timely manner; and

WHEREAS, in order to avoid a delay in the commencement of the development of the Work Product and/or the Improvements, the Developer has advanced, funded, commenced, and completed and/or will complete certain of the Work Product and/or Improvements; and

WHEREAS, the Developer and the District are entering into this Agreement to set forth the process by which the District may acquire the Work Product, the Improvements, and any related real property interests (“**Real Property**”) and in order to ensure the timely provision of the infrastructure and development.

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

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

2. WORK PRODUCT AND IMPROVEMENTS. The parties agree to cooperate and use good faith and best efforts to undertake and complete the acquisition process contemplated by this Agreement on such date or dates as the parties may jointly agree upon (“**Acquisition Date**”). Subject to any applicable legal requirements (e.g., but not limited to, those laws governing the use of proceeds from tax exempt bonds), and the requirements of this Agreement, the District agrees to acquire completed Work Product and Improvements that are part of the Project.

a. ***Request for Conveyance and Supporting Documentation*** – When Work Product or Improvements are ready for conveyance by the Developer to the District, the Developer shall notify the District in writing, describing the nature of the Work Product and/or Improvement and estimated cost. Additionally, Developer agrees to provide, at or prior to the Acquisition Date, the following: (i) documentation of actual costs paid, (ii) instruments of conveyance such as bills of sale or such other instruments as may be requested by the District, and (iii) any other releases, warranties, indemnifications or documentation as may be reasonably requested by the District.

b. ***Costs*** – Subject to any applicable legal requirements (e.g., but not limited to, those laws governing the use of proceeds from tax exempt bonds), the availability of proceeds from the 2018 Bonds, and the requirements of this Agreement, the District shall pay the lesser of (i) the actual cost creation/construction of the Work Product or Improvements, and (ii) the fair market value of the Work Product or Improvements. The Developer shall

provide copies of any and all invoices, bills, receipts, or other evidence of costs incurred by the Developer for any Work Product and/or Improvements. The District Engineer shall review all evidence of cost and shall certify to the District's Board of Supervisors ("**Board**") whether the cost being paid is the lesser of (i) the actual cost of creation/construction of the Work Product or Improvements, and (ii) the fair market value of the Work Product or Improvements. The District Engineer's opinion as to cost shall be set forth in an Engineer's Certificate which shall accompany the requisition for the funds from the District's Trustee for the Bonds ("**Trustee**").

- c. ***Conveyances on "As Is" Basis.*** Unless otherwise agreed, all conveyances of Work Product and/or Improvements shall be on an "as is" basis. That said, the Developer agrees to assign, transfer and convey to the District any and all rights against any and all firms or entities which may have caused any latent or patent defects, including, but not limited to, any and all warranties and other forms of indemnification.
- d. ***Right to Rely on Work Product and Releases*** – The Developer agrees to release to the District all right, title, and interest which the Developer may have in and to any Work Product conveyed hereunder, as well as all common law, statutory, and other reserved rights, including all copyrights in the Work Product and extensions and renewals thereof under United States law and throughout the world, and all publication rights and all subsidiary rights and other rights in and to the Work Product in all forms, mediums, and media, now known or hereinafter devised. To the extent determined necessary by the District, the Developer shall reasonably obtain all releases from any professional providing services in connection with the Work Product to enable the District to use and rely upon the Work Product. The District agrees to allow the Developer access to and use of the Work Product without the payment of any fee by the Developer. However, to the extent the Developer's access to and use of the Work Product causes the District to incur any cost or expense, such as copying costs, the Developer agrees to pay such cost or expense.
- e. ***Transfers to Third Party Governments; Payment for Transferred Property*** – If any item acquired is to be conveyed to a third-party governmental body, then the Developer agrees to cooperate and provide such certifications, documents, bonds, warranties, and/or forms of security as may be required by that governmental body, if any. Further, the District and the Developer agree that it can be difficult to timely effect the turnover of infrastructure from the Developer to the District and then to a third-party governmental entity, and, accordingly, the District and the Developer recognize and agree that the parties shall make reasonable efforts to transfer such Work Product and/or Improvements to the District pursuant to the terms of this Agreement. Regardless, and subject to the terms of this Agreement, the District has the obligation to acquire all such Work Product and/or Improvements described in

the Engineer's Report that is intended to be turned over to a third party governmental entity, and, in the event that the Developer transfers any such Work Product and/or Improvements to a third party governmental entity prior to the District's acquisition of the Work Product and/or Improvements, the District shall be obligated to pay for such Work Product and/or Improvements, subject to the terms of this Agreement, and subject to ensuring that such acquisition and payment would not affect the tax-exempt status of the District's Bonds.

- f. **Permits** – The Developer agrees to cooperate fully in the transfer of any permits to the District or a governmental entity with maintenance obligations for any Improvements conveyed pursuant to this Agreement.
- g. **Engineer's Certification** – The District shall accept any completed Work Product and/or Improvements where the District Engineer (or other consulting engineer reasonably acceptable to the District), in his/her professional opinion, is able to certify that, in addition to any other requirements of law: (i) the Work Product and/or Improvements are part of the Project; (ii) the price for such Work Product and/or Improvements did not exceed the lesser of the cost of the Work Product and/or Improvements or the fair market value of the Work Product and/or Improvements; (iii) as to Work Product, the Work Product is capable of being used for the purposes intended by the District, and, as to any Improvements, the Improvements were installed in accordance with their specifications, and are capable of performing the functions for which they were intended; and (iv) as to any Improvements, all known plans, permits and specifications necessary for the operation and maintenance of the Improvements are complete and on file with the District, and have been transferred, or are capable of being transferred, to the District for operations and maintenance responsibilities.

3. CONVEYANCE OF REAL PROPERTY. The Developer agrees that it will convey to the District at or prior to the Acquisition Date as determined solely by the District, by a special warranty deed or other instrument acceptable to the Board together with a metes and bounds or other description, the Real Property upon which any Improvements are constructed or which are necessary for the operation and maintenance of, and access to, the Improvements.

- a. **Cost.** The parties agree that all Real Property shall be provided to the District at no cost, except that, to the extent funds are available from Bonds and subject to the provisions of Section 5 of this Agreement (among other provisions), the District shall pay a purchase price for certain lands, as outlined in the *Closing Statement* dated July 30, 2019. The Developer represents that the purchase price for the Real Property described in the *Closing Statement* is equal to the Developer's cost basis in the Real Property being sold under the *Closing Statement*, and is less than the appraised value of the Real Property being sold, and that such cost basis in land does not include the value of any Improvements constructed on the Real Property and being

sold by the Developer to the District by that separate *Bill of Sale* dated July 30, 2019.

- b. ***Fee Title and Other Interests*** – The District may determine in its reasonable discretion that fee title for Real Property is not necessary and in such cases shall accept such other interest in the lands upon which the Improvements are constructed as the District deems acceptable.
- c. ***Developer Reservation*** – Any conveyance of Real Property hereunder by special warranty deed or other instrument shall be subject to a reservation by Developer of its right and privilege to use the area conveyed to construct any Improvements and any future improvements to such area for any related purposes (including, but not limited to, construction traffic relating to the construction of the Development) not inconsistent with the District’s use, occupation or enjoyment thereof.
- d. ***Fees, Taxes, Title Insurance*** – The Developer shall pay the cost for recording fees and documentary stamps required, if any, for the conveyance of the lands upon which the Improvements are constructed. The Developer shall be responsible for all taxes and assessments levied on the lands upon which the Improvements are constructed until such time as the Developer conveys all said lands to the District. At the time of conveyance, the Developer shall provide, at its expense, an owner’s title insurance policy or other evidence of title in a form satisfactory to the District.
- e. ***Boundary Adjustments*** – Developer and the District agree that reasonable future boundary adjustments may be made as deemed necessary by both parties in order to accurately describe lands conveyed to the District and lands which remain in Developer’s ownership. The parties agree that any land transfers made to accommodate such adjustments shall be accomplished by donation. However, the party requesting such adjustment shall pay any transaction costs resulting from the adjustment, including but not limited to taxes, title insurance, recording fees or other costs. Developer agrees that if a court or other governmental entity determines that a re-platting of the lands within the District is necessary, Developer shall pay all costs and expenses associated with such actions.

4. TAXES, ASSESSMENTS, AND COSTS.

- a. ***Taxes and Assessments on Property Being Acquired.*** The District is an exempt governmental unit acquiring property pursuant to this Agreement for use exclusively for public purposes. Accordingly, in accordance with Florida law, the Developer agrees to place in escrow with the County tax collector an amount equal to the current ad valorem taxes and non-ad valorem assessments (with the exception of those ad valorem taxes and non-ad valorem assessments levied by the District) prorated to the date of transfer of title,

payment for such acquisitions. Interest shall not accrue on any amounts owed for any prior acquisitions. In the event the District does not in its sole discretion, or cannot, issue sufficient bonds within five (5) years from the date of this Agreement to pay for all acquisitions hereunder, and, thus does not make payment to the Developer for any unfunded acquisitions, then the parties agree that the District shall have no payment or reimbursement obligation whatsoever for those unfunded acquisitions. The Developer acknowledges that the District may convey some or all of the Work Product and/or Improvements in the Engineer's Report to a general purpose unit of local government (e.g., the County) and consents to the District's conveyance of such Work Product and/or Improvements prior to any payment being made by the District.

6. DEFAULT. A default by either party under this Agreement shall entitle the other to all remedies available at law or in equity, which may include, but not be limited to, the right of damages and/or specific performance. Notwithstanding the foregoing, neither the District nor the Developer shall be liable for any consequential, special, indirect or punitive damages due to a default hereunder. Prior to commencing any action for a default hereunder, the party seeking to commence such action shall first provide notice to the defaulting party of the default and an opportunity to cure such default within 30 days.

7. ATTORNEYS' FEES AND COSTS. In the event that either party is required to enforce this Agreement by court proceedings or otherwise, then the parties agree that the prevailing party shall be entitled to recover from the other all fees and costs incurred, including reasonable attorneys' fees and costs for trial, alternative dispute resolution, or appellate proceedings.

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

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

10. NOTICES. All notices, requests, consents and other communications under this Agreement ("Notices") shall be in writing and shall be delivered, mailed by First Class Mail, postage prepaid, or overnight delivery service, to the parties, at the addresses first set forth above. Except as otherwise provided in this Agreement, any Notice shall be deemed received only upon actual delivery at the address set forth above. Notices delivered after 5:00 p.m. (at the place of delivery) or on a non-business day, shall be deemed received on the next business day. If any time for giving Notice contained in this Agreement would otherwise expire on a non-business day, the Notice period shall be extended to the next succeeding business day. Saturdays, Sundays, and legal holidays recognized by the United States government shall not be regarded as business days. Counsel for the District and counsel for the Developer may deliver Notice on behalf of the District and the Developer, respectively. Any party or other person to whom Notices are to be sent or copied may notify the other parties and addressees of any change

in name or address to which Notices shall be sent by providing the same on five (5) days written notice to the parties and addressees set forth herein.

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

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

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

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

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

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

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

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

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

[THIS SPACE INTENTIONALLY LEFT BLANK]

DRAFT

WHEREFORE, the parties below execute the *2019 Acquisition Agreement (Phases 1-4 Sub-Assessment Area One)* to be effective as of the ___ day of _____, 20__.

**AVALON GROVES COMMUNITY
DEVELOPMENT DISTRICT**

By: _____
Its: _____

**FORESTAR (USA) REAL ESTATE
GROUP, INC.,**
a Delaware corporation

By: _____
Name: Matthew S. Stark
Its: Senior Vice President, Real Estate &
Corporate Counsel, and Assistant Secretary

Exhibit A: *Preliminary Engineer's Report*, dated October 11, 2016, as supplemented by the *Avalon Groves Community Development District Engineer's Supplemental Report – 2019 Bond Issuance*, dated May 31, 2019

EXHIBIT A

DRAFT

EXHIBIT 8

_____, 2019

Avalon Groves Community Development District
c/o Patricia Thibault, District Manager
DPFG Management and Consulting, LLC
250 International Parkway, Suite 280
Lake Mary, Florida 32746

Re: Letter Agreement for Acquisition of Palms at Serenoa Stormwater Improvements

Dear Patricia,

Pursuant to the *2019 Acquisition Agreement (Phases 1-4 Sub-Assessment Area One)*, dated July 30, 2019, by and between the Avalon Groves Community Development District (“**District**”) and Forestar (USA) Real Estate Group, Inc. (“**Developer**”), dated July 30, 2019 (“**Acquisition Agreement**”), you are hereby notified that the Developer has completed and wishes to sell (“**Sale**”) to the District certain “**Improvements**” as described in **Exhibit A** attached hereto. Subject to the terms of the Acquisition Agreement, the following terms govern the proposed Sale:

- As consideration for the Sale, and subject to the terms of the Acquisition Agreement, the District agrees to pay from bond proceeds the amount of \$_____ which represents the actual cost of constructing and/or creating the Improvements.
- The Developer agrees, at the direction of the District, to assist with the transfer of any permits or similar approvals necessary for the operation of the Improvements.
- Notwithstanding anything to the contrary herein, certain amounts may still be owed to contractors (balance to finish & retainage) and Developer agrees to timely make payment for all remaining amounts owed, and to ensure that no liens are placed on the Improvements.

If the District is in agreement with the terms stated herein, please execute this letter agreement in the space below and proceed with the necessary steps to effect the Sale.

Sincerely,

**FORESTAR (USA) REAL ESTATE
GROUP, INC.**

Agreed to by:
**AVALON GROVES COMMUNITY
DEVELOPMENT DISTRICT**

Name: Matthew S. Stark
Title: Senior Vice President, Real Estate &
Corporate Counsel, and Assistant Secretary

_____, Board of Supervisors

EXHIBIT A

Drainage & Surface Water Management - All drainage and surface water management systems, including but not limited to sod, water control structures, pipes and other water conveyance structures, as well as all catch-basins and related stormwater facilities, located within Tracts C-1, C-5, C-6, C-7, C-8A, C-8B, C-9, C-10 (Wetland Conservation), Tracts D-0, D-1, D-2, D-3, D-4, D-5, D-6, D-7, D-8, D-9 (Drainage and Stormwater), Tract F-0 (Flood Plain), Tracts N-1, N-1A (Wetland Conservation Buffer), Tracts E-1, E-2 (Drainage Area) and all “CDD Drainage Easements” and “Drainage Easements”, as identified in “Palms at Serenoa”, recorded in Plat Book 70, Pages 80 – 91, of the Official Records of Lake County, Florida.

Work Product - All of the right, title, interest, and benefit, if any, in, to, and under any and all site plans, construction and development drawings, plans and specifications, documents, surveys, engineering and soil reports and studies, licenses, permits, zoning approvals, entitlements, building permits, demolition and excavation permits, curb cut and right-of-way permits, utility permits, drainage rights, bonds, and similar or equivalent private and governmental documents of every kind and character whatsoever pertaining or applicable to or in any way connected with the development, construction, and ownership of the above-mentioned improvements.

| Contractor / Professional | CDD Eligible Amount |
|--|----------------------------|
| Jon M. Hall Company, LLC | |
| Heidt Design, LLC | |
| | |
| GRAND TOTAL OF IMPROVEMENTS AND WORK PRODUCT: | \$ |

AFFIDAVIT REGARDING COSTS PAID
PALMS AT SERENOA STORMWATER IMPROVEMENTS

STATE OF _____
COUNTY OF _____

I, _____, _____ of Forestar (USA) Real Estate Group, Inc., a foreign profit corporation (“**Developer**”), being first duly sworn, do hereby state for my affidavit as follows:

1. I have personal knowledge of the matters set forth in this Affidavit.
2. My name is _____, and I am the _____ of Developer. I have authority to make this Affidavit on behalf of Developer.
3. Developer is the developer of certain lands within the Avalon Groves Community Development District, a special purpose unit of local government established pursuant to Chapter 190, *Florida Statutes* (“**District**”).
4. The District’s *Preliminary Engineer’s Report*, dated October 11, 2016, as supplemented by the *Avalon Groves Community Development District Engineer’s Supplemental Report – 2019 Bond Issuance*, dated May 31, 2019 (together, “**Engineer’s Report**”) describes certain public infrastructure improvements that the District intends to finance, fund, plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate, or maintain pursuant to Chapter 190, *Florida Statutes*.
5. Developer has expended funds to develop and/or acquire certain of the public infrastructure improvements described in the Engineer’s Report and more specifically described in **Exhibit A**. The attached **Exhibit A** accurately identifies certain of those improvements that have been completed to date and states the amounts that Developer has spent on those improvements.
6. In making this Affidavit, I understand that the District intends to rely on this Affidavit for purposes of acquiring the infrastructure improvements identified in **Exhibit A**.

[CONTINUED ON NEXT PAGE]

Under penalties of perjury, I declare that I have read the foregoing Affidavit Regarding Costs Paid and the facts alleged are true and correct to the best of my knowledge and belief.

Executed this _____ day of _____, 2019.

**FORESTAR (USA) REAL ESTATE
GROUP, INC.**

Name: Matthew S. Stark
Title: Senior Vice President, Real Estate &
Corporate Counsel, and Assistant Secretary

**STATE OF FLORIDA
COUNTY OF _____**

The foregoing instrument was sworn and subscribed before me this ____ day of _____, 2019, by Matthew S. Stark as Senior Vice President, Real Estate & Corporate Counsel, and Assistant Secretary of Forestar (USA) Real Estate Group, Inc., a foreign profit corporation, and with authority to execute the foregoing on behalf of the entit(ies) identified above, and who appeared before me this day in person, and who is either personally known to me, or produced _____ as identification.

NOTARY PUBLIC, STATE OF FLORIDA

(NOTARY SEAL)

Name: _____
(Name of Notary Public, Printed,
Stamped or Typed as Commissioned)

Exhibit A – Description of Improvements

CONSULTING ENGINEER'S CERTIFICATE
PALMS AT SERENOA STORMWATER IMPROVEMENTS

_____, 2019

Board of Supervisors
Avalon Groves Community Development District

Re: Avalon Groves Community Development District (Lake County, Florida)
Acquisition of Improvements - Palms at Serenoa

Ladies and Gentlemen:

The undersigned, a representative of Heidt Design, LLC ("**Consulting Engineer**"), as engineer for the Avalon Groves Community Development District ("**District**"), hereby makes the following certifications in connection with the District's acquisition from the Developer of the "**Improvements**", as further described in **Exhibit A** attached hereto, and in that certain bill of sale ("**Bill of Sale**") dated as of or about the same date as this certificate. For good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the undersigned, an authorized representative of the Consulting Engineer, hereby certifies that:

1. I have reviewed and inspected the Improvements. I have further reviewed certain documentation relating to the same, including but not limited to, the Bill of Sale, agreements, invoices, plans, as-builts, and other documents.
2. The Improvements are within the scope of the District's capital improvement plan as set forth in the District's *Preliminary Engineer's Report*, dated October 11, 2016, as supplemented by the *Avalon Groves Community Development District Engineer's Supplemental Report – 2019 Bond Issuance*, dated May 31, 2019 (together, "**Engineer's Report**"), and specially benefit property within Assessment Area One of the District as further described in the Engineer's Report.
3. The Improvements were installed in accordance with their specifications, and are capable of performing the functions for which they were intended.
4. The total costs associated with the Improvements are as set forth in the Bill of Sale. Such costs are equal to or less than each of the following: (i) what was actually paid by the Developer to create and/or construct the Improvements, and (ii) the reasonable fair market value of the Improvements.
5. All known plans, permits and specifications necessary for the operation and maintenance of the Improvements are complete and on file with the District, and have been transferred, or are capable of being transferred, to the District for operations and maintenance responsibilities.

6. With this document, I hereby certify that it is appropriate at this time to acquire the Improvements.

Under penalties of perjury, I declare that I have read the foregoing Consulting Engineer's Certificate and the facts alleged are true and correct to the best of my knowledge and belief.

Executed this _____ day of _____, 2019.

Gary Miller, P.E.
Heidt Design, LLC
Florida Registration No. _____

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was sworn and subscribed before me this ____ day of _____, 2019, by _____, on behalf of Heidt Design, LLC, who is personally known to me or who has produced _____ as identification, and did [] or did not [] take the oath.

Notary Public, State of Florida
Print Name: _____
Commission No.: _____
My Commission Expires: _____

CONTRACTOR ACKNOWLEDGMENT AND RELEASE
PALMS AT SERENOA STORMWATER IMPROVEMENTS

THIS ACKNOWLEDGMENT & RELEASE (“Release”) is made the ___ day of _____, 2019, by **Jon M. Hall Company, LLC**, having offices located at 1920 Booth Circle, Suite 230, Longwood, Florida 32570 (“**Contractor**”), in favor of the **Avalon Groves Community Development District (“District”)**, which is a local unit of special-purpose government situated in Lake County, Florida, and having offices at 250 International Parkway, Suite 280, Lake Mary, Florida 32746.

RECITALS

WHEREAS, pursuant to that certain *Florida Independent Contractor Agreement for Land Development (Fixed Price Award)* (“**Contract**”) dated _____, 201__, and between Contractor and Forestar (USA) Real Estate Group, Inc., a foreign profit corporation (“**Developer**”), Contractor has constructed for Developer certain infrastructure improvements, as described in **Exhibit A (“Improvements”)**; and

WHEREAS, Developer may in the future convey the Improvements to the District and for that purpose has requested Contractor to confirm the release of all restrictions on the District’s right to use and rely upon the Improvements; and

WHEREAS, Contractor has agreed to the release of any such restrictions.

NOW, THEREFORE, for and in consideration of mutual promises and obligations, the receipt and sufficiency of which are hereby acknowledged, Contractor provides the following acknowledgment and release:

1. **GENERAL.** The recitals so stated above are true and correct and by this reference are incorporated as a material part of this Release.
2. **ACQUISITION OF IMPROVEMENTS.** Contractor acknowledges that the District is or has acquired the Improvements constructed by Contractor in connection with the Contract, from Developer, and accordingly, the District has the unrestricted right to rely upon the terms of the Contract for same.
3. **WARRANTY.** Contractor hereby expressly acknowledges the District’s right to enforce the terms of the Contract, including but not limited to any warranties and other forms of indemnification provided therein and to rely upon and enforce any other warranties provided under Florida law.
4. **CERTIFICATION.** Except as set forth herein, Contractor hereby acknowledges that it has been fully compensated for its services and work related to completion of the Improvements. Contractor further certifies that, except as set forth herein, no outstanding requests for payment exist related to the Improvements, including any payments to subcontractors, materialmen, suppliers or otherwise, and that there is no disagreement as to the

appropriateness of payment made for the Improvements. Except as set forth herein, this document shall constitute a final waiver and release of lien for any payments due to Contractor by Developer or District for the Improvements.

5. **EFFECTIVE DATE.** This Release shall take effect upon execution.

JON M. HALL COMPANY, LLC

By: _____
Its: _____

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of _____, 2019, by _____ as _____ of JON M. HALL COMPANY, LLC, and with authority to execute the foregoing on behalf of the entit(ies) identified above, and who appeared before me this day in person, and who is either personally known to me, or produced _____ as identification.

NOTARY PUBLIC, STATE OF FLORIDA

(NOTARY SEAL)

Name: _____
(Name of Notary Public, Printed,
Stamped or Typed as Commissioned)

PROFESSIONAL ACKNOWLEDGMENT AND RELEASE
PALMS AT SERENOA STORMWATER IMPROVEMENTS

THIS ACKNOWLEDGMENT & RELEASE (“Release”) is made the ____ day of _____, 2019, by **Heidt Design, LLC**, a Florida limited liability company, having offices located at 5904-A Hampton Oaks Parkway, Tampa, Florida 33610 (“**Professional**”), in favor of the **Avalon Groves Community Development District (“District”)**, which is a local unit of special-purpose government situated in the Lake County, Florida, and having offices at c/o DPF Management and Consulting, LLC, 250 International Parkway, Suite 280, Lake Mary FL 32746.

RECITALS

WHEREAS, pursuant to that certain *Agreement for Professional Services – Serenoa (fka Avalon Groves)* (“**Contract**”) dated December 1, 2016, as amended, and between Professional and VK Avalon Groves, LLC, Professional has created certain work product, as described in **Exhibit A (“Work Product”)**, which Work Product was conveyed to Forestar (USA) Real Estate Group, Inc., a foreign profit corporation (“**Developer**”); and

WHEREAS, Developer may in the future convey the Work Product to the District and for that purpose has requested Professional to confirm the release of all restrictions on the District’s right to use and rely upon the Work Product; and

WHEREAS, Contractor has agreed to the release of any such restrictions.

NOW, THEREFORE, for and in consideration of mutual promises and obligations, the receipt and sufficiency of which are hereby acknowledged, Professional provides the following acknowledgment and release:

1. **GENERAL.** The recitals so stated above are true and correct and by this reference are incorporated as a material part of this Release.

2. **ACQUISITION OF WORK PRODUCT.** Professional acknowledges that the District is acquiring or has acquired the Work Product created by the Professional in connection with the Contract, from Developer, and accordingly, the District has the unrestricted right to use and rely upon the Work Product for any and all purposes.

3. **WARRANTY.** Professional hereby expressly acknowledges the District’s right to enforce the terms of the Contract, including but not limited to any warranties and other forms of indemnification provided therein and to rely upon and enforce any other warranties provided under Florida law.

4. **CERTIFICATION.** Professional hereby acknowledges that it has been fully compensated for its services and work related to completion of the Work Product. This document shall constitute a final waiver and release of lien for any payments due to Professional by Developer or District for the Work Product.

5. **EFFECTIVE DATE.** This Release shall take effect upon execution.

HEIDT DESIGN, LLC

By: _____
Its: _____

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of _____, 2019, by _____ as _____ of _____, and with authority to execute the foregoing on behalf of the entit(ies) identified above, and who appeared before me this day in person, and who is either personally known to me, or produced _____ as identification.

NOTARY PUBLIC, STATE OF FLORIDA

(NOTARY SEAL)

Name: _____
(Name of Notary Public, Printed,
Stamped or Typed as Commissioned)

BILL OF SALE AND LIMITED ASSIGNMENT
PALMS AT SERENOA STORMWATER IMPROVEMENTS

THIS BILL OF SALE AND LIMITED ASSIGNMENT is made as of this ____ day of _____, 2019, by and between **Forestar (USA) Real Estate Group, Inc.**, a foreign profit corporation, whose address for purposes hereof is 10700 Pecan Park Boulevard, Suite 150, Austin, Texas 78750 (“**Grantor**”), and for good and valuable consideration, to it paid by the **Avalon Groves Community Development District**, a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes* (“**District**” or “**Grantee**”) whose address is c/o DPF Management and Consulting, LLC, 250 International Parkway, Suite 280, Lake Mary FL 32746.

(Wherever used herein, the terms “Grantor” and “Grantee” include all of the parties to this instrument, the heirs, legal representatives and assigns of individuals, and the successors and assigns of trustees, partnerships, limited liability companies, governmental entities, and corporations.)

BACKGROUND STATEMENT

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor and Grantee, intending to be legally bound, do hereby agree as follows:

1. Grantor hereby transfers, grants, conveys, and assigns to Grantee all right, title and interest of Grantor, if any, in and to the following improvements, work product, and other interests (together, “**Property**”) as described below to have and to hold for Grantee’s own use and benefit forever:
 - a) **Drainage & Surface Water Management** - All drainage and surface water management systems, including but not limited to sod, water control structures, pipes and other water conveyance structures, as well as all catch-basins and related stormwater facilities, located within Tracts C-1, C-5, C-6, C-7, C-8A, C-8B, C-9, C-10 (Wetland Conservation), Tracts D-0, D-1, D-2, D-3, D-4, D-5, D-6, D-7, D-8, D-9 (Drainage and Stormwater), Tract F-0 (Flood Plain), Tracts N-1, N-1A (Wetland Conservation Buffer), Tracts E-1, E-2 (Drainage Area) and all “CDD Drainage Easements” and “Drainage Easements”, as identified in “Palms at Serenoa”, recorded in Plat Book 70, Pages 80 – 91, of the Official Records of Lake County, Florida (“**Improvements**”); and
 - b) **Work Product** – All of the right, title, interest, and benefit of Grantor, if any, in, to, and under any and all site plans, construction and development drawings, plans and specifications, documents, surveys, engineering and soil reports and studies, licenses, permits, zoning approvals, entitlements, building permits, demolition and excavation permits, curb cut and right-of-way permits, utility permits, drainage rights, bonds, and similar or equivalent private and governmental documents of every kind and character whatsoever pertaining or applicable to or in any way connected with the development,

construction, and ownership of the Improvements (together, “**Work Product**”); and

- c) **Additional Rights** - All of the right, title, interest, and benefit of Grantor, if any, in, to and under any and all contracts, guaranties, affidavits, warranties, bonds, claims, lien waivers, and other forms of indemnification, given heretofore and with respect to the construction, installation, or composition of the Improvements and creation of the Work Product.
2. Grantor hereby covenants that: (i) Grantor is the lawful owner of the Property; (ii) the Property is free from any liens or encumbrances and the Grantor covenants to timely address any such liens or encumbrances if and when filed; (iii) Grantor has good right to sell the Property; and (iv) the Grantor will warrant and defend the sale of the Property hereby made unto the Grantee against the lawful claims and demands of all persons whosoever.
3. Except as otherwise separately agreed to in writing by Grantor, this conveyance is made on an “as is” basis. The Grantor represents that it has no knowledge of any latent or patent defects in the Property, and hereby assigns, transfers and conveys to the Grantee any and all rights against any and all firms or entities which may have caused any latent or patent defects, including, but not limited to, any and all warranties and other forms of indemnification.
4. By execution of this document, the Grantor affirmatively represents that it has the contractual right, consent and lawful authority of any and all forms to take this action in this document and in this form. Nothing herein shall be construed as a waiver of Grantee’s limitations on liability as provided in Section 768.28, *Florida Statutes*, and other statutes and law.

[CONTINUED ON FOLLOWING PAGE]

WHEREFORE, the foregoing Bill of Sale and Limited Assignment is hereby executed and delivered on the date first set forth above.

Signed, sealed and delivered by:

WITNESSES

FORESTAR (USA) REAL ESTATE GROUP, INC.

By: _____
Name: _____
Title: _____

Name: Matthew S. Stark
Title: Senior Vice President, Real Estate & Corporate Counsel, and Assistant Secretary

By: _____
Name: _____
Title: _____

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was sworn and subscribed before me this ____ day of _____, 2019, by Matthew S. Stark as Senior Vice President, Real Estate & Corporate Counsel, and Assistant Secretary of Forestar (USA) Real Estate Group, Inc., a foreign profit corporation, and with authority to execute the foregoing on behalf of the entit(ies) identified above, and who appeared before me this day in person, and who is either personally known to me, or produced _____ as identification.

NOTARY PUBLIC, STATE OF FLORIDA

(NOTARY SEAL)

Name: _____
(Name of Notary Public, Printed,
Stamped or Typed as Commissioned)

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

HOPPING GREEN & SAMS P.A.
119 South Monroe Street, Suite 300
Tallahassee, Florida 32301

(This space reserved for Clerk)

**EASEMENT AGREEMENT
(PALMS AT SERENOA)**

This **EASEMENT AGREEMENT** (“**Agreement**”) is made and entered into this day of _____, 2019, by and among:

Forestar (USA) Real Estate Group, Inc., a foreign profit corporation, whose address for purposes hereof is 10700 Pecan Park Boulevard, Suite 150, Austin, Texas 78750 (“**Developer**”); and

Palms at Serenoa Homeowners Association, Inc., a Florida not for profit corporation, whose mailing address is 215 Celebration Place, Suite 115, Celebration, Florida 34747 (“**Association**”, together with the Developer, “**Grantor**”); and

Avalon Groves Community Development District, a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*, located in Lake County, Florida, whose mailing address is c/o DPFM Management and Consulting, LLC, 250 International Parkway, Suite 280, Lake Mary, Florida 32746 (“**District**” or “**Grantee**”).

WITNESSETH

WHEREAS, the District was established pursuant to the Uniform Community Development District Act of 1980, Chapter 190, *Florida Statutes*, as amended (“**Act**”), and is validly existing under the Constitution and laws of the State of Florida; and

WHEREAS, the Act authorizes the District to plan, finance, construct, install, operate and/or maintain certain infrastructure within the boundaries of the District; and

WHEREAS, the District owns and maintains the following improvements (“**Improvements**”):

Drainage & Surface Water Management Systems – All drainage and surface water management systems, including but not limited to lakes, ponds, water control structures, pipes, junction boxes, grates, inlets, weirs, outfalls, end sections and other water conveyance structures, as well as all catch-basins and related stormwater facilities, located within Tracts C-1, C-5, C-6, C-7, C-8A, C-8B, C-9, C-10 (Wetland Conservation), Tracts D-0, D-1, D-2, D-3, D-4, D-5, D-6,

D-7, D-8, D-9 (Drainage and Stormwater), Tract F-0 (Flood Plain), Tracts N-1, N-1A (Wetland Conservation Buffer), Tracts E-1, E-2 (Drainage Area) and all “CDD Drainage Easements” and “Drainage Easements”, as identified in “Palms at Serenoa”, recorded in Plat Book 70, Pages 80 – 91, of the Official Records of Lake County, Florida (“**Plat**”); and

Comment [K11]: Do we need an easement over the “utility easements” identified on the plat on each lot?

WHEREAS, to the extent of their respective interests and without making any representations regarding the same, Grantor desires to assign, grant and convey, as appropriate, to Grantee a perpetual, non-exclusive easement over, under and across Tract A-1 (Right-of-Way) and all easements labeled “CDD Drainage Easement” and “Drainage Easement”, and as identified in the Plat (together, “**Easement Areas**”), for purposes of the construction, installation, repair, reconstruction, use, maintenance and operation thereof by the District of the Improvements, all on the terms and subject to the conditions set forth below; and

WHEREAS, Grantor and Grantee acknowledge that use of the Easement Areas is necessary for Grantee to carry out its essential purpose.

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

1. RECITALS. The foregoing recitals are true and correct and by this reference are incorporated as a material part of this Agreement.

2. GRANT OF EASEMENT. Grantor hereby assigns and grants to the District, its successors, and assigns, in perpetuity, a non-exclusive easement over, upon, under, through, and across the Easement Areas for ingress and egress and the construction, installation, repair, reconstruction, use, maintenance and operation thereof by the District of the Improvements, and further grants to the District, its successors and assigns, in perpetuity, a non-exclusive easement over, upon, under, through, and across Easement Areas for ingress and egress relating to the District business, to have and to hold the same unto the District, its successors and assigns forever.

3. DAMAGE.

(a) In the event that Grantee, its respective employees, agents, assignees, or contractors cause damage to the Easement Area or any of the Improvements located within the Easement Areas, or causes damage to Grantor’s other property or any Improvements located thereon, in the exercise of the easement rights granted herein, Grantee, at Grantee’s sole cost and expense, agrees to commence and diligently pursue the restoration of the same and the Improvements so damaged to as nearly as practical to the original condition and grade within thirty (30) days after receiving written notice of the occurrence of any such damage, and Grantee shall allow no lien to attach to the Easement Areas or any Improvements located on said property or Grantor’s other property arising out of work performed by, for, or on behalf of Grantee.

(b) In the event that Grantor, its respective employees, agents or contractors, cause damage to the Improvements located within the Easement Areas, Grantor, at Grantor’s

sole cost and expense, agrees to commence and diligently pursue the restoration of the Improvements so damaged to as nearly as practical to the original condition, within thirty (30) days after receiving written notice of the occurrence of any such damage, and Grantor shall allow no lien to attach to the Easement Area or any Improvements located thereon arising out of work performed by, for, or on behalf of Grantor.

4. INCONSISTENT USE. Grantor agrees and covenants that it shall not grant or exercise any rights in the Easement Areas inconsistent with, or which interfere with, the rights herein accorded to the Grantee.

5. DEFAULT. A default by any party under this Agreement shall entitle the other party to all remedies available at law or in equity, which may include but not be limited to the right of actual damages, injunctive relief and/or specific performance.

6. NOTICES. Any notice, demand, consent, authorization, request, approval or other communication that any party is required, or may desire, to give to or make upon the other party pursuant to this Agreement shall be effective and valid only if in writing, signed by the party giving notice and delivered personally to the other parties or sent by express 24-hour guaranteed courier or delivery service or by certified mail of the United States Postal Service, postage prepaid and return receipt requested, addressed to the other party at the address set forth above. Notice shall be deemed given when received, except that if delivery is not accepted, notice shall be deemed given on the date of such non-acceptance. Notices delivered after 5:00 p.m. (at the place of delivery) or on a non-business day shall be deemed received on the next business day. If any time for giving notice would otherwise expire on a non-business day, the notice period shall be extended to the next succeeding business day. Saturdays, Sundays and legal holidays recognized by the United States government shall not be regarded as business days. Counsel for the District and counsel for Grantor may deliver Notice on behalf of the District and Grantor.

7. THIRD PARTIES. This Agreement is solely for the benefit of the formal parties hereto, and no right or cause of action shall accrue upon or by reason, to or for the benefit of any third party not a formal party to this Agreement. Nothing in this Agreement, expressed or implied, is intended or shall be construed to confer upon any person or corporation other than the parties hereto any right, remedy, or claim under or by reason of this Agreement or any of the provisions or conditions hereof. The District shall be solely responsible for enforcing its rights under this Agreement against any interfering third party. Nothing contained in this Agreement shall limit or impair the District's right to protect its rights from interference by a third party.

8. ASSIGNMENT. Neither party may assign, transfer or license all or any portion of its rights under this Agreement without the prior written consent of the other party. Any assignments attempted to be made by any party without the prior written approval of the other party are void.

9. CONTROLLING LAW. This Agreement shall be construed, interpreted and controlled according to the laws of the State of Florida.

10. PUBLIC RECORDS. Grantor understands and agrees that all documents of any kind provided to the District or to District Staff in connection with this Agreement are public records and are to be treated as such in accordance with Florida law.

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

12. BINDING EFFECT. This Agreement and all of the provisions of this Agreement shall inure to the benefit of and be binding upon the parties set forth herein and their respective successors and permitted assigns, and the agents, employees, invitees, tenants, subtenants, licensees, lessees, mortgagees in possession and independent contractors thereof, as a covenant running with and binding upon the Easement Areas.

13. AUTHORIZATION. By execution below, the undersigned represent that they have been duly authorized by the appropriate body or official of their respective entity to execute this Agreement, and that each party has complied with all the requirements of law and has full power and authority to comply with the terms and provisions of this instrument.

14. AMENDMENTS. Amendments to and waivers of the provisions contained in this Agreement may be made only by an instrument in writing which is executed by all parties hereto.

15. ENTIRE AGREEMENT. This instrument shall constitute the final and complete expression of the agreement between the parties relating to the subject matter of this Agreement.

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have caused this Easement Agreement to be executed by their duly authorized officers effective as of the day and year first above written.

WITNESSES

FORESTAR (USA) REAL ESTATE GROUP, INC.

By: _____
Name: _____
Title: _____

Name: Matthew S. Stark
Title: Senior Vice President, Real Estate & Corporate Counsel, and Assistant Secretary

By: _____
Name: _____
Title: _____

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was sworn and subscribed before me this ____ day of _____, 2019, by Matthew S. Stark as Senior Vice President, Real Estate & Corporate Counsel, and Assistant Secretary of Forestar (USA) Real Estate Group, Inc., a foreign profit corporation, and with authority to execute the foregoing on behalf of the entit(ies) identified above, and who appeared before me this day in person, and who is either personally known to me, or produced _____ as identification.

NOTARY PUBLIC, STATE OF FLORIDA

(NOTARY SEAL)

Name: _____
(Name of Notary Public, Printed, Stamped or Typed as Commissioned)

IN WITNESS WHEREOF, the parties have caused this Easement Agreement to be executed by their duly authorized officers effective as of the day and year first above written.

WITNESSES

PALMS AT SERENOA HOMEOWNERS ASSOCIATION, INC.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

**STATE OF FLORIDA
COUNTY OF _____**

The foregoing instrument was acknowledged before me this ____ day of _____, 2019, _____, _____ of Palms at Serenoa Homeowners Association, Inc., on behalf of said entity, who appeared before me this day in person, and who is either personally known to me, or produced _____ as identification.

NOTARY PUBLIC, STATE OF FLORIDA

(NOTARY SEAL)

Name: _____
(Name of Notary Public, Printed, Stamped
or Typed as Commissioned)

IN WITNESS WHEREOF, the party below has caused this Easement Agreement to be executed by their duly authorized officers effective as of the day and year first above written.

WITNESSES

AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of _____, 2019, _____ as _____ of Avalon Groves Community Development District, on behalf of said entity, who appeared before me this day in person, and who is either personally known to me, or produced _____ as identification.

NOTARY PUBLIC, STATE OF FLORIDA

(NOTARY SEAL)

Name: _____
(Name of Notary Public, Printed, Stamped or Typed as Commissioned)

FORM OF REQUISITION

AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT SPECIAL ASSESSMENT BONDS, SERIES 2019 (PHASES 1 AND 2 SUB-ASSESSMENT AREA ONE PROJECT)

(Acquisition and Construction)

The undersigned, a Responsible Officer of the Avalon Groves Community Development District (“District”) hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture between the District and Regions Bank, as trustee (“Trustee”), dated as of March 1, 2017, as supplemented by that certain Fourth Supplemental Trust Indenture dated as of July 1, 2019 (collectively, “Indenture”) (all capitalized terms used herein shall have the meaning ascribed to such term in the Indenture):

- (A) Requisition Number:
- (B) Identify Acquisition Agreement, if applicable: ***2019 Acquisition Agreement (Phases 1-4 Sub-Assessment Area One), dated July 30, 2019***
- (C) Name of Payee pursuant to Acquisition Agreement:
Forestar (USA) Real Estate Group, Inc.
- (D) Total Amount Payable:
- (E) Amount Payable for Land Acquisition Costs:
- (F) Purpose for which paid or incurred (refer also to specific contract if amount is due and payable pursuant to a contract involving progress payments): ***Acquisition of Palms at Serenoa Stormwater Improvements and Work Product***
- (G) Fund or Account and subaccount, if any, from which disbursement to be made:
Series 2019 Acquisition and Construction Account of the Acquisition and Construction Fund.

The undersigned hereby certifies that:

1. obligations in the stated amount set forth above have been incurred by the District;
2. each disbursement set forth above is a proper charge against the Series 2019 Acquisition and Construction Account;
3. each disbursement set forth above was incurred in connection with the acquisition and/or construction of the Phases 1 and 2 Sub-Assessment Area One Project; and

4. each disbursement represents a Cost of the Phases 1 and 2 Sub-Assessment Area One Project which has not previously been paid.

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

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

Originals or copies of the invoice(s) from the vendor of the property acquired or the services rendered with respect to which disbursement is hereby requested are on file with the District.

AVALON GROVES COMMUNITY
DEVELOPMENT DISTRICT

By: _____
Responsible Officer

Date: _____

CONSULTING ENGINEER'S APPROVAL

The undersigned Consulting Engineer hereby certifies that this disbursement is for the Cost of the Phases 1 and 2 Sub-Assessment Area One Project and is consistent with: (i) the Acquisition Agreement; and (ii) the report of the Consulting Engineer, as such report shall have been amended or modified.

Consulting Engineer

EXHIBIT 9

July, 2019

Ms. Patricia Thibault, MACC, Senior Manager
Avalon Grove CDD
c/o DPGF
250 International Parkway, Suite #280
Lake Mary, Florida 32746

RE: Account # 00334342
Notice of Renewal: Contract for Signature

Dear Ms. Thibault:

The anniversary date of your **Aquatic Systems, Inc.** waterway management program is **October 1, 2019**. We have prepared a renewal contract for your signature. You may opt to **RETAIN** or **DELETE** (cross out) our reference to "automatic renewal" (see right-hand side of quote). If you retain "automatic renewal," a letter in lieu of a quotation will be submitted upon future anniversary dates.

We are pleased to report that your resource management program for care of your waterway system has been successful; therefore, we are extending our scheduled visits for the next successive twelve months at the SAME investment.

If you have any questions, please do not hesitate to contact me at 1-800-432-4302.

Please sign and return your renewal agreement. We will acknowledge receipt by mailing a signed agreement to you for your records.

We appreciate your business and look forward to another successful year ahead!

Sincerely,



Oliver C. Bond
Sales Manager/Biologist

OCB/gu

Enclosure

Aquatic Systems, Inc.

Lake & Wetland Management Services

Everything a Lake Should Be

2100 NW 33rd Street, Pompano Beach, FL 33069

Telephone: 1-800-432-4302

www.aquaticsystems.com

This Agreement made the date set forth below, by and between Aquatic Systems, Inc., a Florida Corporation, hereinafter called "ASI", and

Ms. Patricia Thibault, MACC, Senior Manager
Avalon Grove CDD
c/o DPFG
250 International Parkway, Suite #280
Lake Mary, Florida 32746
(321) 263-0132
patricia.comings-thibault@dpfg.com

Aquatic Services Renewal Agreement

#00334342 Automatic Renewal

One-Year: 10/01/19 – 09/30/20

Anniversary Date: 10/01/19 OCB

hereinafter called "Customer". The parties hereto agree as follows:

1. **ASI** agrees to manage certain lake(s) and/or waterway(s) in accordance with the terms and conditions of this Agreement in the following location:

Twenty-One waterways (20,880 total linear foot perimeter) located at **Avalon Grove CDD** in Clermont, Florida.

2. Minimum of **TWENTY-FOUR (24)** inspections with treatment as required (twice monthly).

3. **CUSTOMER** agrees to pay **ASI**, its agents or assigns, the following sum for specified water management service:

Annual Maintenance Program:

| | |
|---|-----------------------------|
| Algae & Aquatic Weed Management | Included |
| Shoreline Grass Management to the Water's Edge | Included |
| Lake Dye | As Required by ASI * |
| Debris Removal ¹ | Included |
| Triploid Grass Carp Stocking & Permitting (Sites #1 through #21) | As Required by ASI * |
| Carp Barrier(s) Installation/Fabrication | As Required by ASI * |
| Management Reporting | Included |
| Monthly Special Customer Site Inspection Report | Included |

Total Program Investment **\$1,285.00 Monthly**

Additional Services:

Six (6) Carp Barrier(s) Installation/Fabrication **\$ 250.00 Per Barrier**
(Sites as required by Florida Fish and Wildlife Conservation Commission)

¹ Shoreline area to be cleaned is limited to 1 foot maximum depth. Individual litter items to be removed are limited to non-natural materials; such as, paper products, Styrofoam cups, plastic bags and aluminum cans that are accessible along the immediate shoreline. Construction debris, shopping carts, discarded household appliances or any other objects not considered litter, are not included but can be removed at an additional cost.

*Services performed at **ASI**'s sole discretion for the success of the Waterway Management Program

Terms & Conditions of Aquatic Services Agreement

1. If **CUSTOMER** does not directly own the areas where services are to be provided, **CUSTOMER** warrants and represents that he has control of these areas to the extent that he may authorize the specified services and in the event of dispute of ownership agrees to defend, indemnify and hold **ASI** harmless for the consequences of such services.

2. ASI will be reimbursed by the CUSTOMER for administrative fees, compliance programs, invoicing or payment plans or similar expenses caused by requirements placed on ASI by the CUSTOMER that are not explicitly included in this contract's specifications.
3. This Agreement shall have as its effective and anniversary date the first day of the month in which services are first rendered to the CUSTOMER.
4. ASI, at its expense, shall maintain the following insurance coverage: Workman's Compensation (statutory limits), General Liability, Property Damage, Products and Completed Operations Liability, and Automobile Liability.
5. If at any time during the term of this Agreement the government imposes any additional regulatory permit requirements or fees, this Agreement may be renegotiated to include these changes and the cost of the additional services and/or fees.
6. Cyanobacteria identification and toxin testing are not included in this agreement. Cyanobacteria are common throughout Florida waterways and our algae management program cannot guarantee the absence, elimination or control of cyanobacteria and toxins. ASI shall in no event be liable to CUSTOMER, or others, for indirect, special or consequential damages resulting from the presence of cyanobacteria or cyanobacteria toxins in their waterbodies.
7. ASI is not responsible under any circumstances for flooding or water damage from fouled water level control structures resulting from ASI installing Carp Containment Barriers on the structures.
8. Payment terms are net 30 days from invoice date. All amounts remaining due and owing 30 days after billing by SELLER shall bear interest at the rate of 1.5% per month until paid in full. The CUSTOMER shall pay all costs of collection, including liens and reasonable attorney's fees. ASI may cancel this Agreement, if CUSTOMER is delinquent more than sixty (60) days on their account.
9. Upon the anniversary date, this Agreement shall automatically be extended for successive twelve-month periods, unless notice of non-renewal has been received by either party, in writing, at least thirty (30) days prior to the anniversary date. ASI may, with thirty (30) days' pre-notification, change pricing effective upon the next anniversary date.
10. If at any time during the term of this Agreement, CUSTOMER feels ASI is not performing in a satisfactory manner, CUSTOMER shall inform ASI, by certified mail, return-receipt requested, stating the reasons for CUSTOMER'S dissatisfaction. ASI shall investigate and attempt to cure the defect. If, after 30 days from the giving of the original notice, CUSTOMER continues to feel ASI performance is unsatisfactory, CUSTOMER may cancel this Agreement by giving 30 days notice ("Second Notice") to ASI and paying all monies owing to the effective date of termination.
11. This Agreement constitutes the entire Agreement of the parties hereto and no oral or written alterations or modifications of the terms contained herein shall be valid unless made in writing and accepted by an authorized representative of both ASI and the CUSTOMER.

Customer or Authorized Agent Signature

Date

Print Name and Title of Signer

Print Company Name of Signer

Aquatic Systems, Inc. Signature

Date

EXHIBIT 10

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

(This space reserved for Clerk)

HOPPING GREEN & SAMS P.A.
119 South Monroe Street, Suite 300
Tallahassee, Florida 32301

SPECIAL WARRANTY DEED

THIS QUIT CLAIM DEED is made as of the ____ day of _____, 2019, by and between **FORESTAR (USA) REAL ESTATE GROUP, INC.**, a foreign profit corporation (“**Grantor**”), whose address for purposes hereof is 10700 Pecan Park Boulevard, Suite 150, Austin, Texas 78750, and **AVALON GROVES COMMUNITY DEVELOPMENT DISTRICT**, a community development district formed pursuant to Chapter 190, Florida Statutes (“**Grantee**”), whose address is c/o DPF Management and Consulting, LLC, 250 International Parkway, Suite 280, Lake Mary, Florida 32746.

(Wherever used herein, the terms “Grantor” and “Grantee” include all of the parties to this instrument, the heirs, legal representatives and assigns of individuals, and the successors and assigns of trustees, partnerships, limited liability companies, governmental entities, and corporations.)

WITNESSETH

THAT GRANTOR, for and in consideration of the sum of \$ _____ and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby remise, release and quit-claim unto the Grantee forever, all the right, title, interest, claim and demand which the Grantor has in and to the following described lot, piece or parcel of land, situate, lying and being in the County of Lake, State of Florida, and more particularly below (“**Property**”):

Tracts C-1, C-5, C-6, C-7, C-8A, C-8B, C-9, C-10 (Wetland Conservation), Tracts D-0, D-1, D-2, D-3, D-4, D-5, D-6, D-7, D-8, D-9 (Drainage and Stormwater), Tract F-0 (Flood Plain), Tracts N-1, N-1A (Wetland Conservation Buffer), Tracts E-1, E-2 (Drainage Area) and Tract O-5 (Open Space), as identified in “Palms at Serenoa”, recorded in Plat Book 70, Pages 80 – 91, of the Official Records of Lake County, Florida.

Comment [K11]: Why was O-5 dedicated to CDD? Should CDD own remaining Open Space tracts?

TOGETHER with all the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining, and to have and to hold the same in fee simple forever. Such conveyance is subject to all matters of record; however, reference hereto shall not operate to re-impose the same.

The Grantor hereby covenants with said Grantee that the Grantor is lawfully seized of said land in fee simple and that the Grantor has good right and lawful authority to sell and convey said land. Further, the Grantor hereby warrants the title to said land and will defend the

same against the lawful claims of all persons or entities whomsoever claiming by, through or under Grantor. Additionally, the Grantor warrants that it has complied with the provisions of Section 196.295, Florida Statutes.

RESERVATION OF EASEMENT

Grantor hereby reserves unto itself and its successors and assigns, and, to the extent required, Grantee by acceptance hereby gives and grants unto Grantor and its successors and assigns, non-exclusive easements for ingress and egress over, upon and across the Property conveyed hereby, together with the rights to maintain, repair, plant, mow, cultivate, irrigate, improve and care for all landscaping and related aesthetic features, and the right to maintain, repair and replace and improve any improvements now or hereafter located on the Property including, but not limited to, sidewalks, trails and related features; provided, however, that Grantor's reservation of rights hereunder shall not be deemed to impose any obligations on Grantor to maintain, repair or replace any part of the Property or improvements located thereon.

[CONTINUED ON FOLLOWING PAGE]

DRAFT

IN WITNESS WHEREOF, Grantor has caused these presents to be executed on the day and year first above written.

WITNESSES

FORESTAR (USA) REAL ESTATE GROUP, INC.

By: _____
Name: _____
Title: _____

Name: Matthew S. Stark
Title: Senior Vice President, Real Estate & Corporate Counsel, and Assistant Secretary

By: _____
Name: _____
Title: _____

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was sworn and subscribed before me this ____ day of _____, 2019, by Matthew S. Stark as Senior Vice President, Real Estate & Corporate Counsel, and Assistant Secretary of Forestar (USA) Real Estate Group, Inc., a foreign profit corporation, and with authority to execute the foregoing on behalf of the entit(ies) identified above, and who appeared before me this day in person, and who is either personally known to me, or produced _____ as identification.

NOTARY PUBLIC, STATE OF FLORIDA

(NOTARY SEAL)

Name: _____
(Name of Notary Public, Printed, Stamped or Typed as Commissioned)

CLOSING STATEMENT

Seller: **Forestar (USA) Real Estate Group, Inc.**

Purchaser: **Avalon Groves Community Development District**

Property: **Approximately 109.37 acres located in Lake County, Florida (“Real Property”)**

Closing Date: **July 30, 2019**

| | |
|--|-----------------------|
| Purchase Price: | \$1,985,373.24 |
| Documentary Stamps on Special Warranty Deed (Seller Obligation): | (\$13,897.61) |
| Recording Costs for Special Warranty Deed (Buyer Obligation): | \$27.00 |
| Net Amount Due to Seller pursuant to Acquisition Agreement: ⁵ | <u>\$1,971,502.63</u> |

Notes:

1. Wiring instructions for Seller are included as Exhibit B hereto.
2. The provisions of this Closing Statement shall survive the Closing and shall not be merged into any of the documents executed and delivered in connection with the Closing. In the event of any errors in this Closing Statement, the parties agree to make appropriate adjustments.
3. **The Developer represents that the purchase price for the Real Property described in this *Closing Statement* is equal to the Developer’s cost basis in the Real Property being sold under this *Closing Statement*, and is less than the appraised value of the Real Property being sold, as described in the *Appraisal Report* dated June 5, 2019. Further, the Developer represents that such cost basis in land does not include the value of any Improvements constructed on the Real Property and being sold by the Developer to the District by that separate *Bill of Sale* dated July 30, 2019.**
4. This Closing Statement is governed by the terms of that *2019 Acquisition Agreement (Phases 1-4 Sub-Assessment Area One)* dated July 30, 2019 (“Acquisition Agreement”). Pursuant to the Acquisition Agreement, and without intending to change the terms thereof, the proceeds from the District’s Special Assessment Bonds, Series 2019 may be insufficient to pay the full purchase price, and, accordingly, any balance may be funded by the District in its sole discretion from the proceeds of future Bonds.

[CONTINUED ON FOLLOWING PAGE]

**FORESTAR (USA) REAL ESTATE
GROUP, INC.**, a Delaware corporation

**AVALON GROVES COMMUNITY
DEVELOPMENT DISTRICT**

By: Matthew S. Stark
Its: Senior Vice President, Real Estate
& Corporate Counsel, and Assistant Secretary

By: _____
Its: _____

Exhibit A: Legal Description
Exhibit B: Wire Instructions for Seller

DRAFT

