

SECOND SUPPLEMENTAL TRUST INDENTURE
BETWEEN
WEST VILLAGES IMPROVEMENT DISTRICT
AND
U.S. BANK NATIONAL ASSOCIATION
AS TRUSTEE
(UNIT OF DEVELOPMENT NO. 3)

Dated as of August 1, 2017

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SECOND SUPPLEMENTAL TRUST INDENTURE

THIS **SECOND SUPPLEMENTAL TRUST INDENTURE** (the "Second Supplemental Indenture") dated as of August 1, 2017, from **WEST VILLAGES IMPROVEMENT DISTRICT** (the "District") to **U.S. BANK NATIONAL ASSOCIATION**, as trustee (the "Trustee"), a national banking association authorized to accept and execute trusts of the character herein set out within the State of Florida.

WHEREAS, the District has entered into a Master Trust Indenture dated as of April 1, 2006 (the "Master Indenture"), with the Trustee to secure the issuance of its West Villages Improvement District Special Assessment Bonds (Unit of Development No. 3) (the "Bonds"), issuable in one or more Series from time to time; and

WHEREAS, in accordance with the provisions of Chapter 2004-456 Laws of Florida as amended (the "Act"), for the primary purpose of constructing public infrastructure and other public improvements in accordance with the provisions of the Act issued its Special Assessment Bonds, Series 2006 (Unit of Development No. 3) (the "Prior Bonds") in the principal amount of \$40,840,000 pursuant to the Master Indenture and a First Supplemental Trust Indenture dated as of April 1, 2006 (the "First Supplemental") by and between the District and the Trustee; and

WHEREAS, the District is authorized by the Act, particularly Section 10(3) thereof to issue bonds to provide for the refunding of debt obligations of the District such as the Prior Bonds; and

WHEREAS, the District has determined it to be advantageous to the District to issue its Special Assessment Revenue Refunding Bonds, Series 2017 (Unit of Development No. 3)(the "Series 2017 Bonds") for the primary purpose of, together with other legally available money of the District, currently refunding and defeasing all of the Prior Bonds Outstanding on the date of issuance of the Series 2017 Bonds (the refunded Prior Bonds shall be hereinafter referred to as the "Refunded Bonds"), which refunding will provide funds to acquire and construct public infrastructure and other public improvements permitted by the Act all to the benefit of certain residents and landowners of Unit of Development No. 3 of the District (hereinafter, "Unit No. 3"); and

WHEREAS, pursuant to Resolution 2017-___ adopted by the Governing Body of the District on June 29, 2017 (the "Bond Resolution"), the District has authorized the issuance, sale and delivery of \$_____ principal amount of Series 2017 Bonds and authorized the execution and delivery of this Second Supplemental Indenture to secure the issuance of the Series 2017 Bonds and to set forth the terms of the Series 2017 Bonds; and

WHEREAS, the Board of the District has duly adopted resolutions pursuant to the applicable provisions of the Act particularly Sections 3(2)(q) and 6(2) of the Act and Chapter 170 and Sections 197.3632 and 197.3635, Florida Statutes, as amended, and other applicable provisions of Florida law, defining assessable property to be benefited by the 2017 Project (hereinafter defined), defining the portion of the Cost of the 2017 Project with respect to which Series 2017 Assessments (hereinafter defined) will be imposed and the manner in which such Series 2017 Assessments shall be levied against such benefited property within the District,

directing the preparation of an assessment roll calling for a public hearing of the District at which owners of property to be subject to the Series 2017 Assessments may be heard as to the propriety and advisability of undertaking the 2017 Project, as to the cost thereof, the manner of payment therefor, and the amount to be assessed against each property improved by the 2017 Project and the public improvements financed with proceeds of the Prior Bonds hereunder and stating the intent of the District to issue the Series 2017 Bond (as herewith defined) secured by such Series 2017 Assessments to finance the costs of the acquisition and construction of the 2017 Project and the Board of the District has duly adopted a resolution, following a public hearing conducted in accordance with the Act, to fix and establish the Series 2017 Assessments and the benefited property (collectively the "Assessment Resolution"); and

WHEREAS, the District will apply the proceeds of the Series 2017 Bonds, together with other legally available District moneys to: (i) currently refund the Refunded Bonds; (ii) finance the Cost of acquisition, construction, installation and equipping of the 2017 Project which 2017 Project is further described in **Exhibit A** hereto (hereinafter, the "2017 Project"); (iii) pay certain costs associated with the issuance of the Series 2017 Bonds; and (iv) fund the 2017 Reserve Account as herein provided; and

WHEREAS, the execution and delivery of the Series 2017 Bonds and of this Second Supplemental Indenture have been duly authorized by the Board of the District and all things necessary to make the Series 2017 Bonds, when executed by the District and authenticated by the Trustee, valid and binding legal obligations of the District and to make this Second Supplemental Indenture a valid and binding agreement and, together with the Master Indenture, a valid and binding lien on the 2017 Trust Estate (as hereinafter defined) have been done;

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

That the District, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the mutual covenants herein contained, the purchase and acceptance of the Series 2017 Bonds by the purchaser or purchasers thereof, and other good and valuable consideration, receipt of which is hereby acknowledged, and in order to further secure the payment of the principal and Redemption Price of, and interest on, all Series 2017 Bonds Outstanding from time to time, according to their tenor and effect, and such other payments required to be made under the Master Indenture or hereunder, and to further secure the observance and performance by the District of all the covenants, expressed or implied in the Master Indenture, in this Second Supplemental Indenture and in the Series 2017 Bonds: (a) has executed and delivered this Second Supplemental Indenture and (b) does hereby, grant, bargain, sell, convey, transfer, assign and pledge unto the Trustee, and unto its successors in interest the trusts under the Master Indenture, and to them and their successors and assigns forever, all right, title and interest of the District, in, to and under, subject to the terms and conditions of the Master Indenture and the provisions of the Master Indenture pertaining to the application thereof for or to the purposes and on the terms set forth in the Master Indenture, the revenues derived by the District from the Series 2017 Assessments levied and imposed pursuant to the Assessment Proceedings (as hereinafter defined) as the same may be amended from time to time (the "2017 Pledged Revenues") and the Funds and Accounts (except for the 2017 Rebate Account and the 2017 Cost of Issuance Account) established hereby (the "2017 Pledged Funds" and collectively

with the "2017 Pledged Revenues," the "2017 Trust Estate") which shall comprise the Trust Estate securing only the Series 2017 Bonds;

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

IN TRUST NEVERTHELESS, except as in each such case may otherwise be provided in the Master Indenture, upon the terms and trusts in the Master Indenture set forth for the equal and proportionate benefit, security and protection of all and singular the present and future Owners of the Series 2017 Bonds issued or to be issued under and secured by this Second Supplemental Indenture, without preference, priority or distinction as to lien or otherwise, of any Series 2017 Bond over any other Series 2017 Bond by reason of priority in their issue, sale or execution;

PROVIDED HOWEVER, that if the District, its successors or assigns, shall well and duly pay, or cause to be paid, or make due provision for the payment of the principal and Redemption Price of the Series 2017 Bonds or any Series 2017 Bond secured and Outstanding under this Second Supplemental Indenture and the interest due or to become due thereon, at the times and in the manner mentioned in the Series 2017 Bonds and this Second Supplemental Indenture, according to the true intent and meaning thereof, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of the Master Indenture and this Second Supplemental Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provision of the Master Indenture and this Second Supplemental Indenture, then upon such final payments, this Second Supplemental Indenture and the rights hereby granted shall cease and terminate, with respect to all Series 2017 Bonds or any Series 2017 Bond of a particular maturity, otherwise this Second Supplemental Indenture shall remain in full force and effect;

THIS SECOND SUPPLEMENTAL INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Series 2017 Bonds issued and secured hereunder are to be issued, authenticated and delivered and all of the rights and property pledged to the payment thereof are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as in the Master Indenture (except as amended directly or by implication by this Second Supplemental Indenture), including this Second Supplemental Indenture, expressed, and the District has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners, from time to time, of the Series 2017 Bonds, as follows:

**ARTICLE I
DEFINITIONS**

Section 101. Definitions. All terms used herein that are defined in the recitals hereto are used with the same meaning herein unless the context clearly requires otherwise. All terms used herein that are defined in the Master Indenture are used with the same meaning herein (including the use of such terms in the recitals hereto and the granting clauses hereof) unless (i)

expressly given a different meaning herein or (ii) the context clearly requires otherwise. In addition, unless the context clearly requires otherwise, the following terms used herein shall have the following meanings:

"Amortization Installments" shall mean the moneys required to be deposited in the 2017 Sinking Fund Account within the Debt Service Fund for the purpose of redeeming and paying when due any Term Bonds.

"Assessment Interest" shall mean the interest on Series 2017 Assessments received by the District which is pledged to the Series 2017 Bonds, other than Delinquent Assessment Interest.

"Assessment Principal" shall mean the principal amount of Series 2017 Assessments received by the District which are pledged to the Series 2017 Bonds, other than Delinquent Assessment Principal and Prepayment Principal.

"Assessment Proceedings" shall mean the proceedings of the District with respect to the establishment, levy and collection of the Series 2017 Assessments, including the Assessment Resolution and any supplemental proceedings undertaken by the District with respect to the Series 2017 Assessments.

"Authorized Denominations" shall mean \$5,000.00 or any integral multiple thereof.

"Beneficial Owner" shall mean the owners from time to time of the Series 2017 Bonds for federal income tax purposes.

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

"Bond Participants" shall mean those broker-dealers, banks and other financial institutions from time to time for which the Bond Depository holds Series 2017 Bonds as securities depository.

"Continuing Disclosure Agreement" means that certain Continuing Disclosure Agreement dated the date of issuance and delivery of the Series 2017 Bonds, of the District and joined in by the Trustee and Disclosure Representative (as defined therein), as originally executed and as it may be amended from time to time in accordance with the terms thereof.

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

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

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

"Escrow Deposit Agreement" shall mean that Escrow Deposit Agreement dated the date of issuance and delivery of the Series 2017 Bonds, of District and the Escrow Agent (as defined therein), pursuant to which moneys will be deposited to defease the Refunded Bonds.

"Interest Payment Date" shall mean each May 1 and November 1, commencing November 1, 2017.

"Majority Owners" shall mean the Beneficial Owners of more than fifty percent (50%) of the aggregate principal amount of the Series 2017 Bonds then Outstanding.

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

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

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

"Redemption Date" shall mean each February 1, May 1, August 1 and November 1.

"Series 2017 Assessments" shall mean the Special Assessments levied against properties within the District specially benefited by the 2017 Project and the improvements financed with proceeds of the Prior Bonds as described in the Assessment Proceedings.

"Term Bonds" shall mean the Series 2017 Bonds that mature on one date and that are subject to mandatory redemption from Amortization Installments.

"2017 Investment Obligations" shall mean those obligations described under the definition of "Investment Securities" in the Master Indenture.

"2017 Reserve Account Requirement" shall mean \$100,000.

ARTICLE II

AUTHORIZATION, ISSUANCE AND PROVISIONS OF SERIES 2017 BONDS

Section 201. Authorization of Series 2017 Bonds; Book-Entry Only Form. The Series 2017 Bonds are hereby authorized to be issued in the aggregate principal amount of \$_____ for the purposes enumerated in the recitals hereto. The Series 2017 Bonds shall be substantially in the form set forth as **Exhibit B** to this Second Supplemental Indenture. Each Series 2017 Bond shall bear the designation "2017R" and be numbered consecutively from 1 upwards.

The Series 2017 Bonds shall be initially issued in the form of a separate single certificated fully registered Series 2017 Bond for each maturity of Series 2017 Bonds. Upon

initial issuance, the ownership of such Series 2017 Bond shall be registered in the registration books kept by the Registrar in the name of Cede & Co., as Nominee of The Depository Trust Company, New York, New York ("DTC"), the initial Bond Depository. Except as provided in this Section 201, all of the Outstanding Series 2017 Bonds shall be registered in the registration books kept by the Registrar in the name of Cede & Co., as Nominee of DTC.

With respect to Series 2017 Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as Nominee of DTC, the District, the Trustee, the Registrar and the Paying Agent shall have no responsibility or obligation to any such Bond Participant or to any Beneficial Owner. Without limiting the immediately preceding sentence, the District, the Trustee, the Registrar and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Bond Participant with respect to any ownership interest in the Series 2017 Bonds, (ii) the delivery to any Bond Participant or any other person other than an Owner, as shown in the registration books kept by the Registrar, of any notice with respect to the Series 2017 Bonds, including any notice of redemption, or (iii) the payment to any Bond Participant or any other person, other than an Owner, as shown in the registration books kept by the Registrar, of any amount with respect to principal of, premium, if any, or interest on the Series 2017 Bonds. The District, the Trustee, the Registrar and the Paying Agent may treat and consider the person in whose name each Series 2017 Bond is registered in the registration books kept by the Registrar as the absolute owner of such Series 2017 Bond for the purpose of payment of principal, premium and interest with respect to such Series 2017 Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2017 Bond, for the purpose of registering transfers with respect to such Series 2017 Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium, if any, and interest on the Series 2017 Bonds only to or upon the order of the respective Owners, as shown in the registration books kept by the Registrar, or their respective attorneys duly authorized in writing, as provided herein and all such payment shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal of, premium, if any, and interest on the Series 2017 Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the registration books kept by the Registrar, shall receive a certificated Series 2017 Bond evidencing the obligation of the District to make payments of principal, premium, if any, and interest pursuant to the provisions hereof. Upon delivery by DTC to the District of written notice to the effect that DTC has determined to substitute a new Nominee in place of Cede & Co., and subject to the provisions therein with respect to Record Dates, the words "Cede & Co." in this Second Supplemental Indenture shall refer to such new Nominee of DTC; and upon receipt of such a notice the District shall promptly deliver a copy of the same to the Trustee, Registrar and the Paying Agent.

Upon receipt by the Trustee or the District of written notice from DTC: (i) confirming that DTC has received written notice from the District to the effect that a continuation of the requirement that all of the Outstanding Series 2017 Bonds be registered in the registration books kept by the Registrar in the name of Cede & Co., as Nominee of DTC, is not in the best interest of the Beneficial Owners of the Series 2017 Bonds or (ii) to the effect that DTC is unable or unwilling to discharge its responsibilities and no substitute Bond Depository willing to undertake the functions of DTC hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, the Series 2017 Bonds shall no longer be

restricted to being registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names the Beneficial Owners shall designate, in accordance with the provisions hereof.

Section 202. Terms of Series 2017 Bonds. The Series 2017 Bonds shall be issued as four (4) Term Bonds as set forth below and shall bear interest at the fixed interest rates per annum and shall mature in the amounts and on the dates set forth below:

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

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

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

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

Section 203. Dating; Interest Accrual. Each Series 2017 Bond shall be dated _____, 2017. Each Series 2017 Bond shall also bear its date of authentication. Each Series 2017 Bond shall bear interest from the Interest Payment Date to which interest has been paid next preceding the date of its authentication, unless the date of its authentication: (i) is an Interest Payment Date to which interest on such Series 2017 Bond has been paid, in which event such Series 2017 Bond shall bear interest from its date of authentication; or (ii) is prior to the first Interest Payment Date for the Series 2017 Bonds, in which event such Series 2017 Bond shall bear interest from its date. Interest on the Series 2017 Bonds shall be due and payable on each May 1 and November 1, commencing November 1, 2017, and shall be computed on the basis of a 360-day year of twelve 30-day months.

Section 204. Denomination. The Series 2017 Bonds shall be issued in Authorized Denominations.

Section 205. Paying Agent. The District appoints the Trustee as Paying Agent for the Series 2017 Bonds.

Section 206. Bond Registrar. The District appoints the Trustee as Registrar for the Series 2017 Bonds.

Section 207. Conditions Precedent to Issuance of Series 2017 Bonds. In addition to complying with the requirements set forth in Sections 3.01 and 3.03 of the Master Indenture not included in the listing below, all the Series 2017 Bonds shall be executed by the District for delivery to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the District or upon its order, but only upon the further receipt by the Trustee of:

(a) Certified copies of the Assessment Proceedings;

(b) Executed originals of the Master Indenture and this Second Supplemental Indenture and the Escrow Deposit Agreement;

(c) A Bond Counsel opinion substantially to the effect that; (i) the Indenture has been duly authorized and executed by the District and constitutes a valid and binding obligation of the District; (ii) the Series 2017 Bonds have been duly authorized, executed and delivered by the District and are valid and binding special obligations of the District, payable solely from the sources provided therefor in the Indenture; (iii) the interest on the Series 2017 Bonds is excludable from gross income for federal income tax purposes; and (iv) the Series 2017 Bonds and the interest paid thereon are exempt from all taxes imposed by the State of Florida except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes on corporations and other entities, as defined therein.

(d) An opinion of Counsel to the District substantially to the effect that; (i) the District has been duly established and validly exists as a special district under the Act, (ii) the District has good right and lawful authority under the Act to undertake the refunding of the Refunded Bonds and the acquisition and construction of the 2017 Project, subject to obtaining such licenses, orders or other authorizations as are, at the date of such opinion, required to be obtained from any agency or regulatory body having lawful jurisdiction in order to undertake the 2017 Project, (iii) all proceedings undertaken by the District with respect to the Series 2017 Assessments have been in accordance with Florida law, (iv) the District has taken all action necessary to levy and impose the Series 2017 Assessments, and (v) the Series 2017 Assessments are legal, valid and binding liens upon the property against which such Series 2017 Assessments are made, coequal with the lien of all state, county, district and municipal taxes, superior in dignity to all other liens, titles and claims, until paid;

(e) A certificate of a Responsible Officer to the effect that, upon the authentication and delivery of the Series 2017 Bonds, the District will not be in default in the performance of the terms and provisions of the Master Indenture or this Second Supplemental Indenture; and

(f) An Engineers' Certificate or Engineers' Certificates certifying as to the accuracy of the information set forth in the District Engineer's Report regarding the 2017 Project.

Delivery to the Trustee of the proceeds from the sale of the Series 2017 Bonds shall constitute satisfactory proof of the delivery of the items described above.

Section 208. Continuing Disclosure. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provisions of the Indenture, failure of the District to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Trustee may and, at the request of any Participating Underwriter (as defined in Rule 15c2-12 of the Securities and Exchange Commission) or the Holders of at least twenty-five percent (25%) aggregate principal amount of Outstanding Series 2017 Bonds, and receipt of indemnity satisfactory to the Trustee shall, or any such Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the District to comply with its obligations under this Section.

ARTICLE III
REDEMPTION AND PURCHASE OF SERIES 2017 BONDS

The Series 2017 Bonds are subject to redemption prior to maturity as provided in the form thereof set forth as **Exhibit B** to this Second Supplemental Indenture. Series 2017 Bonds may be purchased as provided in Article VIII of the Master Indenture.

ARTICLE IV
DEPOSIT OF SERIES 2017 BOND PROCEEDS AND APPLICATION THEREOF;
ESTABLISHMENT OF ACCOUNTS AND OPERATION THEREOF

Section 401. Establishment of Accounts.

The following funds and accounts are hereby established for the Series 2017 Bonds notwithstanding any provisions of the Master Indenture to the contrary.

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

- (i) a 2017 Acquisition and Construction Account; and
- (ii) a 2017 Costs of Issuance Account;

(b) There are hereby established within the Debt Service Fund held by the Trustee a 2017 Sinking Fund Account, and a 2017 Interest Account;

(c) There is hereby established within the Bond Redemption Fund a 2017 Prepayment Account;

(d) There is hereby established within the Debt Service Reserve Fund held by the Trustee a 2017 Reserve Account, which account shall be held for the benefit of all of the Series 2017 Bonds without distinction as to Series 2017 Bonds and without privilege or priority of one Series 2017 Bond over another;

(e) There is hereby established within the Revenue Fund held by the Trustee a 2017 Revenue Account; and

(f) There is hereby established within the Rebate Fund held by the Trustee a 2017 Rebate Account.

Section 402. Use of 2017 Bond Proceeds. Following the Trustee's receipt of the items set forth in Sections 3.01 and 3.03 of the Master Indenture and Section 207 hereof; the net proceeds of sale of the Series 2017 Bonds, \$_____ (face amount of Series 2017 Bonds less underwriter's discount of \$_____), shall be delivered to the Trustee by the District and be applied as follows:

(a) \$_____, of the net proceeds of sale of the Series 2017 Bonds representing the 2017 Reserve Account Requirement, shall be deposited to the 2017 Reserve Account;

(b) \$_____, of the net proceeds of the sale of the Series 2017 Bonds representing costs of issuance relating to the Series 2017 Bonds, shall be deposited to the credit of the 2017 Costs of Issuance Account;

(c) \$_____ of the net proceeds of the sale of the Series 2017 Bonds above shall be deposited to the credit of the 2017 Acquisition and Construction Account; and

(d) \$_____ of the net proceeds of the sale of the Series 2017 Bonds, together with \$_____ previously held in the reserve account for the Refunded Bonds and \$_____ previously held in the revenue account for the Refunded Bonds shall be deposited pursuant to the Escrow Deposit Agreement and applied as provided therein; and

Any amounts held under the funds and account not applied as provided above shall be deposited to the 2017 Interest Account and applied to pay the first interest coming due on the Series 2017 Bonds.

Section 403. 2017 Acquisition and Construction Account.

(a) Amounts on deposit in the 2017 Acquisition and Construction Account shall be applied to pay the Costs of the 2017 Project upon compliance with the requirements of the requisition provisions set forth in Section 5.02 of the Master Indenture.

(b) Any balance remaining in the 2017 Acquisition and Construction Account after the Completion Date of the 2017 Project and after retaining the amount, if any, of all remaining unpaid Costs of such portion of the 2017 Project set forth in the Engineers' Certificate establishing such Completion Date, shall be transferred to the 2017 Prepayment Account in the Bond Redemption Fund and applied to the extraordinary mandatory redemption of the Series 2017 Bonds in the manner prescribed therein.

Section 404. Costs of Issuance Account. There shall be deposited in the 2017 Costs of Issuance Account \$_____ which shall, at the written direction of a Responsible Officer, be used to pay the costs of issuance relating to the Series 2017 Bonds. Any amounts on deposit in the 2017 Costs of Issuance Account ninety (90) days after the date of initial delivery of the Series 2017 Bonds, for which the District has not provided a pending requisition, shall be deposited into the 2017 Acquisition and Construction Account and used for the purposes permitted therefor.

Section 405. 2017 Reserve Account. Amounts on deposit in the 2017 Reserve Account except as provided elsewhere in the Master Indenture or in this Second Supplemental Indenture shall be used only for the purpose of making payments into the 2017 Interest Account and the 2017 Sinking Fund Account to pay the Series 2017 Bonds, without distinction as to Series 2017 Bonds and without privilege or priority of one Series 2017 Bond over another, when due when the moneys on deposit in such Accounts and available therefor are insufficient.

The Trustee, on or before the fiftieth (50th) day (or if such day is not a Business Day, on the Business Day next preceding such day) next preceding each Redemption Date, after taking into account all payments and transfers made as of such date, shall compute the value of the 2017 Reserve Account and shall promptly notify the District of the amount of any deficiency or surplus as of such date in such account. The District shall immediately pay the amount of any deficiency to the Trustee, for deposit in the 2017 Reserve Account, from the first legally available sources of the District. The Trustee, as soon as practicable after such computation, shall deposit any surplus (other than any surplus resulting from investment earnings which will be applied as provided below) in the 2017 Reserve Account to the 2017 Prepayment Account.

All earnings on investments in the 2017 Reserve Account shall be deposited to the 2017 Revenue Account provided no deficiency exists in the 2017 Reserve Account and if a deficiency does exist earnings shall remain on deposit in the 2017 Reserve Account until the deficiency is cured. Such Account shall consist only of cash and 2017 Investment Obligations.

Notwithstanding the foregoing, on the earliest date on which there is on deposit in the 2017 Reserve Account, sufficient monies, taking into account other monies available therefor, to pay and redeem all of the Outstanding Series 2017 Bonds, together with accrued interest on such Series 2017 Bonds to the earliest date of redemption, then the Trustee shall transfer to the 2017 Prepayment Account the amount on deposit in the 2017 Reserve Account to pay and redeem all of the Outstanding 2017 Bonds on the earliest such date.

The District may provide that the difference between the amounts on deposit in the 2017 Reserve Account and the 2017 Reserve Account Requirement shall be an amount covered by obtaining bond insurance or a surety bond issued by a municipal bond insurer, rated at the time of initial deposit to the 2017 Reserve Account in one of the two highest categories (at least AA by S&P or at least Aa by Moody's without reference to gradations) by one of such nationally recognized rating agencies (the "Reserve Account Credit Instrument"). At any time after the issuance of the Series 2017 Bonds, the District may withdraw any or all of the amount of money on deposit in the 2017 Reserve Account and substitute in its place a Reserve Account Credit Instrument as described above in the face amount of such withdrawal, and such withdrawn moneys shall, after payment of the premium for such Reserve Account Credit Instrument, be used for any lawful purpose of the District.

Section 406. Application of Prepayment Principal; 2017 Prepayment Account. All Prepayment Principal shall upon receipt by the Trustee be deposited to the 2017 Prepayment Account. At the time the District deposits Prepayment Principal with the Trustee it shall notify the Trustee in writing as to the amount of Prepayment Principal. Amounts on deposit in the 2017 Prepayment Account shall be applied to the extraordinary mandatory redemption of the Series 2017 Bonds in the manner prescribed to the form of Series 2017 Bonds as set forth in **Exhibit B** hereto.

Section 407. Tax Covenants and Rebate Account. The District shall comply with the arbitrage certificate delivered in connection with the issuance of the Series 2017 Bonds (including deposits to and payments from the 2017 Rebate Account) included as part of the closing transcript for the Series 2017 Bonds, as amended and supplemented from time to time in accordance with its terms. Amounts in the 2017 Rebate Account shall be directed by the District

for investment only in Government Obligations. To the extent any amounts in the 2017 Rebate Account are not needed to comply with the arbitrage certificate, such amounts shall be transferred as directed by the District to any other fund or account created hereunder.

Section 408. Establishment of 2017 Revenue Account in Revenue Fund; Application of Series 2017 Accounts and Investment Earnings.

(a) Except as otherwise provided herein amounts on deposit in the 2017 Revenue Account shall be applied in accordance with Section 6.03 of the Master Indenture. Except as otherwise provided herein the Series 2017 Assessments will be collected as provided in Section 11.04 of the Master Indenture. Following an Event of Default, the Majority Owners may direct the District as to the collection method for the Series 2017 Assessments provided such method complies with Florida law. The District covenants to assess, levy, and enforce the payment of the Series 2017 Assessments at times and in amounts as shall be necessary in order to pay, when due, Debt Service Requirements on the Series 2017 Bonds and to pay or cause to be paid the proceeds of such Series 2017 Assessments as received to the Trustee for deposit to the 2017 Revenue Account.

(b) Upon deposit of the revenues from the Series 2017 Assessments including the interest thereon with the Trustee, the District shall provide the Trustee a written accounting setting forth the amounts of such Series 2017 Assessments in the following categories which shall be deposited by the Trustee into the Funds and Accounts established hereunder as follows:

(i) Assessment Interest which shall be deposited into the 2017 Interest Account;

(ii) Assessment Principal, which shall be deposited into the 2017 Sinking Fund Account;

(iii) Prepayment Principal which shall be deposited into the 2017 Prepayment Account;

(iv) Delinquent Assessment Principal shall first be applied to restore the amount of any withdrawal, from the 2017 Reserve Account to pay the principal of Series 2017 Bonds to the extent that less than the 2017 Reserve Account Requirement is on deposit in the 2017 Reserve Account, and the balance, if any, shall be deposited into the 2017 Sinking Fund Account;

(v) Delinquent Assessment Interest shall first be applied to restore the amount of any withdrawal, from the 2017 Reserve Account to pay the interest of Series 2017 Bonds to the extent that less than the 2017 Reserve Account Requirement is on deposit in a 2017 Reserve Account, and the balance, if any, shall be deposited into the 2017 Interest Account;

(vi) The balance shall be deposited in the 2017 Revenue Account.

(c) On each March 15, June 15, September 15 and December 15 (or if such March 15, June 15, September 15 and December 15 is not a Business Day, on the Business Day

next preceding such day), the Trustee shall determine the amount on deposit in the 2017 Prepayment Account and, if the balance therein is greater than zero, shall transfer, but only after transferring sufficient amounts as directed by the District to make the transfers required by (d) below, from the 2017 Revenue Account for deposit into such Prepayment Account, an amount sufficient to increase the amount on deposit therein to the next integral multiple of \$5,000, and, shall thereupon give notice and cause the extraordinary mandatory redemption of Series 2017 Bonds on the next succeeding Redemption Date in the maximum aggregate principal amount for which moneys are then on deposit in such Prepayment Account in accordance with the provisions for extraordinary redemption of Series 2017 Bonds as set forth in **Exhibit B** hereto. All interest due in regard to such prepayments shall be paid from the 2017 Interest Account or, if insufficient amounts are on deposit in the 2017 Interest Account to pay such interest then from the 2017 Revenue Account.

(d) On any date required by Section 11.33 of the Master Indenture, the District shall give the Trustee written direction, and the Trustee shall, transfer from the 2017 Revenue Account to the 2017 Rebate Account established for the Series 2017 Bonds in the Rebate Fund the amount due and owing to the United States, which amount shall be paid, to the United States, when due. To the extent insufficient moneys are on deposit in the 2017 Revenue Account to make the transfer provided for in the immediately preceding sentence the District shall deposit with the Trustee from available moneys of the District the amount of any such insufficiency.

(e) Anything herein or in the Master Indenture to the contrary notwithstanding, amounts on deposit in all of the Funds and Accounts held as security for the Series 2017 Bonds shall be invested only in 2017 Investment Obligations, and further, earnings on investments in the 2017 Acquisition and Construction Account and the 2017 Costs of Issuance Account shall be retained as realized, in such Account and used for the purpose of such Account. Earnings on investments in the 2017 Sinking Fund Account, the 2017 Interest Account and the Bond Redemption Fund shall be deposited, as realized, to the credit of the 2017 Revenue Account and used for the purpose of such Account.

Earnings on investments in the 2017 Reserve Account shall be disposed of as provided in Section 405 hereof.

ARTICLE V CONCERNING THE TRUSTEE

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

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

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

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

ARTICLE VI MISCELLANEOUS

Section 601. Confirmation of Master Indenture. As supplemented by this Second Supplemental Indenture, the Master Indenture is in all respect ratified and confirmed, and this Second Supplemental Indenture shall be read, taken and construed as a part of the Master Indenture so that all of the rights, remedies, terms, conditions, covenants and agreements of the Master indenture, except insofar as modified herein, shall apply and remain in full force and effect with respect to this Second Supplemental Indenture and to the Series 2017 Bonds issued hereunder. To the extent of any conflicts between the terms and provisions of the Master Indenture and this Second Supplemental Indenture the terms and provisions hereof shall control.

Section 602. Additional Covenant Regarding 2017 Assessments. In addition, and not in limitation of, the covenants contained elsewhere in this Second Supplemental Indenture and in the Master Indenture, the District covenants to comply with the terms of the proceedings heretofore adopted with respect to the 2017 Assessments, including the assessment methodology, prepared by Special District Services, Inc. (the "Report"), to levy the 2017 Assessments and any required true up payments as set forth in the Report, in such manner as will generate funds sufficient to pay the principal of and the interest on the Series 2017 Bonds, when due and not to amend the Assessment Proceedings in any material manner without the written consent of the Majority Owners.

Section 603. Additional Matters Relating to Series 2017 Assessments and Assessment Proceedings. The District covenants and agrees that upon the occurrence and continuance of an Event of Default with respect to the Series 2017 Bonds, it will take such actions to enforce the remedial provisions of the Indenture, the provisions for the collection of delinquent Series 2017 Special Assessments that are directly billed and collected by the District, as well as delinquent direct billed operation and maintenance assessments, and the provisions for the foreclosure of liens of delinquent assessments that are directly billed and collected by the District, as well as delinquent direct billed operation and maintenance assessments, all in a manner consistent with the Master Indenture and this Second Supplemental Indenture. All Series 2017 Assessments that are billed and collected directly by the District shall be due and payable by the applicable landowner no later than thirty (30) days prior to each Interest Payment Date and shall become delinquent thereafter.

Section 604. Limitation on Additional Debt. Other than Bonds issued to refund a portion of Outstanding Series 2017 Bonds, the District shall not, while any Series 2017 Bonds are outstanding, issue or incur any debt payable in whole or in part from the 2017 Trust Estate.

Section 605. Additional Matters Relating to Delinquent Series 2017 Assessments.

(a) Notwithstanding anything herein or in the Master Indenture to the contrary, the following provisions shall apply with respect to the Series 2017 Assessments and Series 2017 Bonds: If any property shall be offered for sale for the nonpayment of any Series 2017 Assessments, and no person or persons shall purchase such property for an amount equal to the full amount due on the Series 2017 Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), the District, after receiving the written consent of the Trustee, acting at the direction of the Majority Owners of the Series 2017 Bonds Outstanding, specifying whether the District is to take title to the property in its corporate name or in the name of a special purpose entity, may purchase the property for an amount less than or equal to the balance due on the Series 2017 Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), from any legally available funds of the District and the District shall receive in its corporate name or in the name of a special-purpose entity title to the property for the benefit of the Owners of the Series 2017 Bonds. The District, either through its own actions, or actions caused to be taken by the District through the Trustee, shall have the power to and shall lease or sell such property, and deposit all of the net proceeds of any such lease or sale into the 2017 Revenue Account. The District, either through its own actions, or actions caused to be taken by the District through the Trustee, agrees that it shall, after being provided assurances satisfactory to it of payment of its fees, costs and expenses for doing so, be required to take the measures provided by law for listing for sale of property acquired by it as trustee for the Owners of the Series 2017 Bonds within sixty (60) days after the receipt of the request therefore signed by the Trustee, acting at the direction of the Majority Owners of the Series 2017 Bonds Outstanding. The District may pay costs associated with any actions taken by the District pursuant to this paragraph from any moneys legally available for such purpose held under the Indenture, provided such action does not adversely impact the tax-exempt status of the interest on the Series 2017 Bonds.

(b) Notwithstanding anything to the contrary herein or in the Master Indenture, the District acknowledges and agrees that (i) upon failure of any property owner to pay when due any installment of Series 2017 Assessments that are billed directly by the District, that the entire Series 2017 Assessments levied on the property for which such installment of Series 2017 Assessments is due and unpaid, with interest and penalties thereon, shall immediately become due and payable as provided by applicable law and, with the written consent of the Trustee, acting at the direction of the Majority Owners of the Series 2017 Bonds Outstanding, the District shall promptly, but in any event within one hundred twenty (120) days of the receipt of such consent, cause to be brought the necessary legal proceedings for the foreclosure of liens of the delinquent Series 2017 Assessments, including interest and penalties and (ii) the foreclosure proceedings shall be prosecuted to a sale and conveyance of the property involved in said proceedings as now provided by law in suits to foreclose mortgages.

Section 606. Additional Matters Relating to Events of Default.

In addition to the events set forth in Section 12.02 of the Master Indenture, each of the following events shall be an Event of Default with respect to the Series 2017 Bonds, notwithstanding anything to the contrary in the Master Indenture:

(a) Any portion of the Series 2017 Assessments pledged to the Series 2017 Bonds shall have become delinquent and, as the result thereof, this Indenture authorizes the Trustee to withdraw funds in an amount greater than twenty-five percent (25%) of the amount on deposit in 2017 Reserve Account to pay the Debt Service Requirements on the Series 2017 Bonds (regardless of whether the Trustee does or does not actually withdraw such funds from the 2017 Reserve Account to pay the Debt Service Requirements on the Series 2017 Bonds) (the foregoing being referred to as a "2017 Reserve Account Event") unless within sixty (60) days from the 2017 Reserve Account Event the District has either (i) replenished the amounts, if any, withdrawn from the 2017 Reserve Account or (ii) the portion of the delinquent Special Assessments giving rise to the 2017 Reserve Account Event are paid and are no longer delinquent Special Assessments; and

(b) More than fifteen percent (15%) of the operation and maintenance special assessments that are directly billed by the District and levied by the District on tax parcels subject to the Series 2017 Assessments are not paid by the date such are due and payable and such default continues for sixty (60) days after the date when due.

Notwithstanding any provisions of the Master Indenture or this Second Supplemental Indenture to the contrary the Event of Default set forth in Section 12.02(c) of the Master Indenture shall not be an Event of Default in regard to the Series 2017 Bonds unless the Majority Owners of the Series 2017 Bonds shall provide written notice to the Trustee and the District that such occurrence is an Event of Default within 30 days of receipt of written notice of such occurrence from the District (which written notice the District hereby covenants to provide to the Beneficial Owners within 30 days of being rendered incapable of fulfilling its obligations under the Indenture or the Act). Absent receipt of said notice from the Majority Owners the occurrence of an event described in Section 12.02(c) of the Master Indenture shall not be an Event of Default in regard to the Series 2017 Bonds.

Notwithstanding any provision of the Master Indenture or this Second Supplemental Indenture to the contrary there shall be no optional redemption or extraordinary mandatory redemption of any Series 2017 Bonds with respect to which an Event of Default shall have occurred and be continuing unless all of the Series 2017 Bonds are to be redeemed or all of the Owners of the Series 2017 Bonds consent to a partial redemption.

The Trustee shall not be deemed to have notice of any Event of Default other than a payment default, unless notified in writing of such default by the Majority Owners.

Section 607. Third Party Beneficiaries. This Second Supplemental Indenture shall inure solely to the benefit of the District, the Trustee and the Holders from time to time of the Series 2017 Bonds, and shall create no rights in any other person or entity.

Section 608. Requisite Owners for Direction of Consent. Anything in the Master Indenture to the contrary notwithstanding, any direction or consent or similar provision which requires fifty-one percent of the Owners, shall in each case be deemed to refer to, and shall mean, the Majority Owners.

IN WITNESS WHEREOF, West Villages Improvement District has caused these presents to be signed in its name and on its behalf by its Chair, and its official seal to be hereunto affixed and attested by its Secretary, thereunto duly authorized, and to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be signed in its name and on its behalf by its duly authorized signatory.

**WEST VILLAGES IMPROVEMENT
DISTRICT**

[SEAL]

By: _____
Chair, Board of Supervisors

ATTEST:

By: _____
Secretary

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

By: _____
Vice President

EXHIBIT "A"

Description of the 2017 Project

**THOSE PUBLIC IMPROVEMENTS
FINANCED WITH PROCEEDS OF THE SERIES 2017 BONDS,
INCLUDING BUT NOT LIMITED TO:**

[To be Provided]

**ALL AS PROVIDED IN THE REPORT OF STANTEC CONSULTING SERVICES, INC.
DATED JUNE 29, 2017 AS AMENDED AND SUPPLEMENTED FROM TIME TO
TIME.**

EXHIBIT "B"

Form of the Series 2017 Bonds

See Attached

No. 2017R-____

\$ _____

United States of America
 State of Florida
WEST VILLAGES IMPROVEMENT DISTRICT
SPECIAL ASSESSMENT REVENUE REFUNDING BOND, SERIES 2017
 (Unit of Development No. 3)

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
____%	May 1, ____	_____, 2017	_____

Registered Owner: CEDE & CO.

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

THE WEST VILLAGES IMPROVEMENT DISTRICT HAS ESTABLISHED A BOOK ENTRY SYSTEM OF REGISTRATION FOR THIS SERIES 2017 BOND. EXCEPT AS SPECIFICALLY PROVIDED OTHERWISE IN THE INDENTURE, CEDE & CO., AS NOMINEE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), WILL BE THE REGISTERED OWNER AND WILL HOLD THIS SERIES 2017 BOND ON BEHALF OF EACH BENEFICIAL OWNER HEREOF. BY ACCEPTANCE OF A CONFIRMATION OF PURCHASE, DELIVERY OR TRANSFER, EACH BENEFICIAL OWNER OF THIS SERIES 2017 BOND SHALL BE DEEMED TO HAVE AGREED TO SUCH ARRANGEMENT. CEDE & CO., AS REGISTERED OWNER OF THIS SERIES 2017 BOND, MAY BE TREATED AS THE OWNER OF IT FOR ALL PURPOSES.

UNLESS THIS SERIES 2017 BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF DTC TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, WITH RESPECT TO ANY SERIES 2017 BOND REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC, ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

WEST VILLAGES IMPROVEMENT DISTRICT, a special district duly created and existing pursuant to Chapter 2004-456 Laws of Florida as amended through the date hereof by Chapters 2006-355, 2007-307 and 2008-284 Laws of Florida (the "District"), for value received, hereby promises to pay (but only out of the sources hereinafter mentioned) to the Registered Owner set forth above, or registered assigns, on the maturity date shown hereon, unless this Series 2017 Bond shall have been called for redemption in whole or in part and payment of the Redemption Price (as defined in the Indenture mentioned hereinafter) shall have been duly made or provided for, the principal amount shown above and to pay (but only out of the sources

hereinafter mentioned) interest on the outstanding principal amount hereof from the most recent Interest Payment Date to which interest has been paid or provided for, or if no interest has been paid, from the Dated Date shown above, on May 1 and November 1 of each year (each, an "Interest Payment Date"), commencing on November 1, 2017, until payment of said principal sum has been made or provided for, at the rate per annum set forth above. Notwithstanding the foregoing, if any Interest Payment Date is not a Business Day (as defined in the Indenture hereinafter mentioned), then all amounts due on such Interest Payment Date shall be payable on the first Business Day succeeding such Interest Payment Date, but shall be deemed paid on such Interest Payment Date. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture (as hereinafter defined), be paid to the Registered Owner hereof at the close of business on the regular record date for such interest, which shall be the fifteenth (15th) day of the calendar month next preceding such Interest Payment Date, or if such day is not a Business Day on the Business Day immediately preceding such day; provided, however, that on or after the occurrence and continuance of an Event of Default under clause (a) and/or (b) of Section 10.02 of the Master Indenture (hereinafter defined), of Section 606 of the Supplemental Indenture (hereinafter defined), the payment of interest and principal or Redemption Price shall be made by the Paying Agent (hereinafter defined) to such person, who, on a special record date which is fixed by the Trustee, which shall be not more than fifteen (15) and not less than ten (10) days prior to the date of such proposed payment, appears on the registration books of the Bond Registrar as the Registered Owner of this Bond. Any payment of principal, or Redemption Price or interest shall be made only in accordance with standard DTC practices. Interest on this Bond will be computed on the basis of a 360-day year of twelve 30 day months.

This Bond is one of a duly authorized issue of bonds of the District designated "Special Assessment Revenue Refunding Bonds Series 2017 (Unit of Development No. 3)," (the "Series 2017 Bonds") issuable under and governed by the terms of a Master Trust Indenture, dated as of April 1, 2006 (the "Master Indenture"), between the District and U.S. Bank National Association as trustee (the "Trustee"), as supplemented by a Second Supplemental Trust Indenture, dated as of August 1, 2017 (the "Supplemental Indenture"), between the District and the Trustee (the Master Indenture as supplemented by the Supplemental Indenture is hereafter referred to as the "Indenture"). Capitalized Terms not defined herein have the meaning ascribed to them in the Indenture. The Series 2017 Bonds are issued in an aggregate principal amount of \$_____ for the purposes of, together with other legally available District moneys (i) refunding and defeasing the Refunded Bonds; (ii) financing the Cost of acquiring, constructing and equipping the 2017 Project; (iii) paying certain costs associated with the issuance of the Series 2017 Bonds; and (iv) making a deposit into the 2017 Reserve Account for the benefit of all of the Series 2017 Bonds.

NEITHER THIS SERIES 2017 BOND NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF FLORIDA. THIS SERIES 2017 BOND AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON AND THEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN UPON ANY PROPERTY OF THE DISTRICT OTHER THAN AS PROVIDED IN THE INDENTURE. NO OWNER OR ANY OTHER PERSON SHALL EVER

HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE, OR THE SERIES 2017 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE, OR THE SERIES 2017 BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE 2017 TRUST ESTATE PLEDGED TO THE SERIES 2017 BONDS, ALL AS PROVIDED HEREIN AND IN THE INDENTURE.

All acts, conditions and things required by the Constitution and laws of the State of Florida and the resolutions of the District to happen, exist and be performed precedent to and in the issuance of this Series 2017 Bond and the execution of the Indenture, have happened, exist and have been performed as so required. This Series 2017 Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Indenture until it shall have been authenticated by the execution by the Trustee of the Certificate of Authentication endorsed hereon.

IN WITNESS WHEREOF, West Villages Improvement District has caused this Series 2017 Bond to bear the signature of the Chairperson of its Board of Supervisors and the official seal of the District to be impressed or imprinted hereon and attested by the signature of the Secretary of its Board of Supervisors.

**WEST VILLAGES IMPROVEMENT
DISTRICT**

(SEAL)

By: _____
Chairperson, Board of Supervisors

ATTEST:

By: _____
Secretary to Board of Supervisors

CERTIFICATE OF AUTHENTICATION

This Series 2017 Bond is one of the Bonds of the Series designated herein, described in the within-mentioned Indenture.

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

By: _____
Authorized Signatory

Date of Authentication:

This Series 2017 Bond is issued under and pursuant to the Constitution and laws of the State of Florida, particularly Chapter 2004-456, Laws of Florida, as amended through the date hereof by Chapters 2006-355, 2007-307 and 2008-284, Laws of Florida (collectively, the "Act"), Sections 3(2)(q), 6(2), and 10(3) of the Act and Chapter 170 and Sections 197.3632 and 197.3635, Florida Statutes, as amended, and other applicable provisions of Florida law, and other applicable provisions of law and pursuant to the Indenture, executed counterparts of which Indenture are on file at the designated office of the Trustee. Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of 2017 Bonds, the collection, receipt and disposition of revenues and the funds charged with and pledged to the payment of the principal, and Redemption Price of, and the interest on, the Series 2017 Bonds, the nature and extent of the security thereby created, the covenants of the District with respect to the levy and collection of the 2017 Pledged Revenues (as defined in the Indenture), the terms and conditions under which the Series 2017 Bonds are or may be issued, the rights, duties, obligations and immunities of the District and the Trustee under the Indenture and the rights of the Registered Owners and Beneficial Owners of the Series 2017 Bonds, and, by the acceptance of this Series 2017 Bond, the Registered Owner and Beneficial Owners hereof assents to all of the provisions of the Indenture. Terms not otherwise defined herein shall have the meaning ascribed to them in the Indenture. The Series 2017 Bonds are equally and ratably secured by the 2017 Trust Estate, without preference or priority of one Series 2017 Bond over another.

The Series 2017 Bonds are issuable only as registered bonds without coupons in current interest form in denominations of \$5,000 or any integral multiple thereof (an "Authorized Denomination"). This Series 2017 Bond is transferable by the Registered Owner hereof or his duly authorized attorney at the designated corporate trust office of the Trustee as Registrar (the "Registrar"), upon surrender of this Series 2017 Bond, accompanied by a duly executed instrument of transfer in form and with guaranty of signature reasonably satisfactory to the Registrar, subject to such reasonable regulations as the District or the Registrar may prescribe, and upon payment of any taxes or other governmental charges incident to such transfer. Upon any such transfer a new Series 2017 Bond or Series 2017 Bonds, in the same aggregate principal amount and of the same maturity as the Series 2017 Bond or Series 2017 Bonds transferred, will be issued to the transferee. At the designated corporate trust office of the Registrar in the manner and subject to the limitations and conditions provided in the Indenture and without cost, except for any tax or other governmental charge, Series 2017 Bonds may be exchanged for an equal aggregate principal amount of Series 2017 Bonds of the same maturity and series, in Authorized Denominations and bearing interest at the same rate or rates.

The District has established a book-entry system of registration for the Series 2017 Bonds. Except as specifically provided otherwise in the Indenture, an agent will hold this Series 2017 Bond on behalf of the beneficial owner hereof. By acceptance of a confirmation of purchase, delivery or transfer, the beneficial owner of this Series 2017 Bond shall be deemed to have agreed to such arrangement.

Optional Redemption

The Series 2017 Bonds are subject to redemption at the option of the District prior to maturity, in whole or in part, on any date on or after _____1, ____ at the Redemption Price of 100% of the principal amount to be redeemed plus accrued interest to the redemption date.

Mandatory Redemption

The Series 2017 Bonds maturing _____1, ____ are subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2017 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, on November 1 of the years and in the principal amounts set forth below.

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

*Maturity

The Series 2017 Bonds maturing _____ 1, ____ are subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2017 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, on November 1 of the years and in the principal amounts set forth below.

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

*Maturity

The Series 2017 Bonds maturing _____ 1, ____ are subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2017 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, on November 1 of the years and in the principal amounts set forth below.

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

*Maturity

The Series 2017 Bonds maturing _____ 1, ____ are subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2017 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, on November 1 of the years and in the principal amounts set forth below.

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

*Maturity

Any Series 2017 Bonds that are purchased by the District with amounts held to pay an Amortization Installment will be cancelled and the principal amount so purchased will be applied as a credit against the applicable Amortization Installment of Series 2017 Bonds.

Upon redemption or purchase of the Series 2017 Bonds (other than redemption in accordance with scheduled Amortization Installments), the District shall cause to be recalculated and delivered to the Trustee revised Amortization Installments recalculated so that debt service on the Series 2017 Bonds is amortized in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Series 2017 Bonds.

Extraordinary Mandatory Redemption

The Series 2017 Bonds are subject to extraordinary mandatory redemption prior to scheduled maturity, in whole on any date or in part on any Redemption Date, and if in part on a pro rata basis calculated by the District determined by the ratio of the Outstanding principal amount of each maturity of the Series 2017 Bonds treating for such purposes each Amortization Installment as a maturity divided by the aggregate principal amount of Outstanding Series 2017 Bonds and as otherwise provided in the Indenture, at the Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to such redemption date, if and to the extent that any one or more of the following shall have occurred:

- (i) On or after the Completion Date of the 2017 Project by application of moneys transferred from the 2017 Acquisition and Construction Account to the 2017 Prepayment Account in accordance with the terms of the Supplemental Indenture; or
- (ii) Amounts are deposited into the 2017 Prepayment Account from the prepayment of Series 2017 Assessments and from amounts deposited into the 2017 Prepayment Subaccount from the 2017 Reserve Account; or
- (iii) When the amount on deposit in the 2017 Reserve Account, together with other moneys available therefor are sufficient to pay and redeem all the Series 2017 Bonds then Outstanding as provided in the Supplemental Indenture.

Except as otherwise provided in the Indenture, if less than all of the Series 2017 Bonds subject to redemption shall be called for redemption, the particular such Series 2017 Bonds or portions of such Series 2017 Bonds to be redeemed shall be selected by lot by the Registrar as provided in the Indenture.

Notice of each redemption of Series 2017 Bonds is required to be mailed by the Registrar, postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the redemption date to each Registered Owner of Series 2017 Bonds to be redeemed at the address of such Registered Owner recorded on the bond register maintained by the Registrar. On the date designated for redemption, notice having been given and money for the payment of the Redemption Price being held by the Paying Agent, all as provided in the Indenture, the Series 2017 Bonds or such portions thereof so called for redemption shall become and be due and payable at the Redemption Price provided for the redemption of such Series 2017 Bonds or such portions thereof on such date, interest on such Series 2017 Bonds or such portions thereof so called for redemption shall cease to accrue, such Series 2017 Bonds or such portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Indenture and the Owners thereof shall have no rights in respect of such Series 2017 Bonds or such portions

thereof so called for redemption except to receive payments of the Redemption Price thereof so held by the Paying Agent.

The Owner of this Series 2017 Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

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

Any moneys held by the Trustee or Paying Agent in trust for the payment and discharge of any Series 2017 Bond which remain unclaimed for three (3) years after the date when such Series 2017 Bond has become due and payable, either at its stated maturity date or by call for earlier redemption, if such moneys were held by the Trustee or any Paying Agent at such date, or for three (3) years after the date of deposit of such moneys if deposited with the Trustee or Paying Agent after the date when such Series 2017 Bond became due and payable, shall be paid to the District, and thereupon and thereafter no claimant shall have any rights against the Trustee or Paying Agent to or in respect of such moneys.

If the District deposits or causes to be deposited with the Trustee funds or Defeasance Securities (as defined in the Indenture) sufficient to pay the principal or Redemption Price of any Series 2017 Bonds becoming due at maturity or by call for redemption in the manner set forth in the Indenture, together with the interest accrued to the due date, the lien of such Series 2017 Bonds as to the 2017 Trust Estate shall be discharged, except for the rights of the Owners thereof with respect to the funds so deposited as provided in the Indenture.

This Series 2017 Bond shall have all the qualities and incidents, including negotiability, of investment securities within the meaning and for all the purposes of the Uniform Commercial Code of the State of Florida.

This Series 2017 Bond is issued with the intent that the laws of the State of Florida shall govern its construction.

[FORM OF ABBREVIATIONS FOR SERIES 2017 BONDS]

The following abbreviations, when used in the inscription on the face of the within Series 2017 Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM as tenants in common

TEN END as tenant by the entireties

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

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

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

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Series 2017 Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney to transfer the said Series 2017 Bond on the books of the District, with full power of substitution in the premises.

Date: _____

Social Security Number of Employer

Identification Number of Transferee:

Signature guaranteed:

NOTICE: The assignor's signature to this Assignment must correspond with the name as it appears on the face of the within Series 2017 Bond in every particular without alteration or any change whatever.

By: _____
Authorized Signatory

\$ _____
WEST VILLAGES IMPROVEMENT DISTRICT
(CITY OF NORTH PORT, FLORIDA)
SPECIAL ASSESSMENT REVENUE REFUNDING BONDS (UNIT OF
DEVELOPMENT NO. 3), SERIES 2017

BOND PURCHASE CONTRACT

_____, 2017

Board of Supervisors
West Villages Improvement District
North Port, Florida

Dear Ladies and Gentlemen:

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

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the District and the District hereby agrees to sell and deliver to the Underwriter, all (but not less than all) of its \$ _____ aggregate principal amount of West Villages Improvement District Special Assessment Revenue Refunding Bonds (Unit of Development No. 3), Series 2017 (the "Bonds"). The Bonds shall be dated their date of delivery and shall mature on the dates, shall bear interest at the rates, and shall be subject to redemption prior to maturity, all as provided in Exhibit B attached hereto. The purchase price for the Bonds shall be \$ _____ (representing the \$ _____ aggregate principal amount of the Bonds, less an underwriter's discount of \$ _____) (such payment and delivery and the other actions contemplated hereby to take place at the time of such payment and delivery being hereinafter referred to as the "Closing").

2. The Bonds. The Bonds are to be issued by the District, a local unit of special-purpose government of the State of Florida (the "State") organized and existing under the provisions of Chapter 2004-456, Laws of Florida, as amended by Chapters 2006-355, 2007-307

and 2008-284, Laws of Florida and other applicable provisions of law (collectively, the "Act"). The Bonds are being issued pursuant to the Act and secured pursuant to the provisions of a Master Trust Indenture dated as of April 1, 2006 (the "Master Indenture"), as supplemented by a Second Supplemental Trust Indenture dated as of _____ 1, 2017 (the "Second Supplemental Indenture," and together with the Master Indenture, the "Indenture"), each by and between the District and U.S. Bank National Association, as trustee (the "Trustee"), and Resolutions Nos. 2005-38 and 2017-____, adopted by the Board of Supervisors of the District (the "Board") on November 1, 2005 and June 29, 2017, respectively (collectively, the "Bond Resolution"). The Unit No. 3 Refunding Assessments, the revenues of which comprise the 2017 Pledged Revenues for the Bonds, have been levied by the District on certain of the District Lands designated as Unit of Development No. 3 ("Unit No. 3"), which are those lands within the District specially benefited by [the 2017 Project] pursuant to the Assessment Resolution (as such term is defined in the Second Supplemental Indenture).

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

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

5. Definitions. For purposes hereof, this Purchase Contract, the Bonds, the Indenture, the Continuing Disclosure Agreement to be dated as of the Closing Date, between the District and Special District Services, Inc., a Florida corporation, as dissemination agent (the "Dissemination Agent"), in substantially the form attached to the Preliminary Limited Offering Memorandum as Appendix D thereto (the "Disclosure Agreement"), and the DTC Blanket Issuer Letter of Representations entered into by the District, are referred to herein collectively as the "Financing Documents."

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

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

(b) The District has full legal right, power and authority to: (i) adopt the Bond Resolution and the Assessment Resolution; (ii) enter into the Financing Documents to which it is a party; (iii) sell, issue and deliver the Bonds to the Underwriter as provided herein; (iv) apply the proceeds of the sale of the Bonds for the purposes described in the Limited Offering Memoranda; (v) acknowledge and authorize the use of the Preliminary Limited Offering Memorandum and the use and execution of the Limited Offering Memorandum; and (vi) carry out and consummate the transactions contemplated by the Bond Resolution, the Assessment Resolution, the Financing Documents, and the Limited Offering Memoranda, including without limitation entering into the Property Appraiser and Tax Collector Agreement to provide for the collection of the Unit No. 3 Refunding Assessments using the Uniform Method of collection in accordance with the Indenture. The District has complied, and on the Closing Date will be in compliance in all material respects, with the terms of the Act and with the obligations on its part contained in the Bond Resolution, the Assessment Resolution, the Financing Documents and the Bonds;

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

(regardless of whether enforcement is sought in a proceeding in equity or at law). Upon execution by the District and the other parties thereto (and assuming the due authorization, execution and delivery of such agreements by the other parties thereto) the Financing Documents will constitute the legal, valid and binding obligations of the District, enforceable in accordance with their respective terms, subject only to applicable bankruptcy, insolvency and similar laws affecting creditors' rights and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law);

(d) The District is not in material breach of or material default under any applicable provision of the Act or any applicable constitutional provision or statute or, to the best of its knowledge, administrative regulation of the State or the United States of America or any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement, or other material instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, and to the best of its knowledge, no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a material default or material event of default under any such instrument; and the execution and delivery of the Bonds, the Financing Documents and the Limited Offering Memorandum, the delivery of the Preliminary Limited Offering Memorandum, and the adoption of the Bond Resolution and the Assessment Resolution, and compliance with the provisions on the District's part contained therein, will not conflict with or constitute a material breach of or material default under any applicable constitutional provision or law or, to the best of its knowledge, any administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement, or other instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, nor will any such execution, delivery, adoption, use or compliance result in the creation or imposition of any lien, charge, or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the District or under the terms of any such law, regulation or instrument, except as provided by the Assessment Resolution, the Bonds and the Indenture. To the best of its knowledge, no event has occurred which, with the lapse of time or the giving of notice, or both, would constitute an event of default (as therein defined) under the Bonds or the Financing Documents;

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

(f) The descriptions of the Bonds, the Financing Documents and the 2017 Project, to the extent referred to in the Limited Offering Memoranda, conform in all

material respects to the Bonds, the Financing Documents and the 2017 Project, respectively;

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

(h) There is no claim, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to its best knowledge, threatened against the District: (i) contesting the corporate existence or powers of the Board or the titles of the respective officers of the Board to their respective offices; (ii) affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the application of the proceeds of the sale thereof for the purposes described in the Limited Offering Memoranda or the collection of Unit No. 3 Refunding Assessments or the pledge of the 2017 Trust Estate, pursuant to the Indenture; (iii) contesting or affecting specifically as to the District the validity or enforceability of the Act or any action of the District in any respect relating to the authorization for the issuance of the Bonds, or the authorization of the 2017 Project, the Bond Resolution, the Assessment Resolution, the Financing Documents, or the application of the proceeds of the Bonds for the purposes set forth in the Limited Offering Memoranda; (iv) contesting the federal tax status of the Bonds; or (v) contesting the completeness or accuracy of the Limited Offering Memoranda or any supplement or amendment thereto;

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

(j) As of its date (unless an event occurs of the nature described in paragraph (1) of this Section 6) and at all times subsequent thereto, up to and including the Closing Date, the statements and information contained in the Preliminary Limited Offering Memorandum (other than Permitted Omissions) and in the Limited Offering Memorandum are and will be accurate in all material respects for the purposes for which their use is authorized and do not and will not contain any untrue statement of a material

fact or omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; provided, however, that no representation is made concerning information contained in the Limited Offering Memoranda under the captions "DESCRIPTION OF THE UNIT NO. 3 REFUNDING BONDS – Book-Entry System," "TAX MATTERS," "SUITABILITY FOR INVESTMENT" and "UNDERWRITING";

(k) If the Limited Offering Memorandum is supplemented or amended pursuant to subsection (1) of this Section 6, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto up to and including the Closing Date, the Limited Offering Memorandum as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that no representation is made concerning information contained in the Limited Offering Memorandum under the captions "DESCRIPTION OF THE UNIT NO. 3 REFUNDING BONDS – Book-Entry System," "TAX MATTERS," "SUITABILITY FOR INVESTMENT" and "UNDERWRITING";

(l) If between the date of this Purchase Contract and the earlier of (i) ninety (90) days from the end of the "Underwriting Period" as defined in Rule 15c2-12, or (ii) the time when the Limited Offering Memorandum is available to any person from the MSRB's Electronic Municipal Market Access system (but in no event less than twenty-five (25) days following the end of the Underwriting Period), any event shall occur, of which the District has actual knowledge, which might or would cause the Limited Offering Memorandum, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the District shall notify the Underwriter thereof, and, if in the opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Limited Offering Memorandum, the District will at its expense supplement or amend the Limited Offering Memorandum in a form and in a manner approved by the Underwriter. The end of the Underwriting Period shall be the next business day after the Closing Date;

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

(n) Except as disclosed in the Limited Offering Memoranda, the District is not now in default and has not been in default at any time after December 31, 1975 in the payment of the principal of or the interest on any governmental security issued or

guaranteed by it which would require disclosure pursuant to Section 517.051, Florida Statutes or Rule 3E-400.003 of the Florida Department of Financial Services;

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

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

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

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

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

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

(b) At the time of the Closing, the Bond Resolution, the Assessment Resolution, the Bonds and the Financing Documents shall each be in full force and effect

in accordance with their respective terms, and the Bond Resolution, the Assessment Resolution, the Indenture and the Limited Offering Memoranda shall not have been supplemented, amended, modified or repealed, except in any such case as may have been agreed to in writing by the Underwriter;

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

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

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

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

(4) The opinion, dated as of the Closing Date and addressed to the District, of Akerman LLP, Bond Counsel, in the form included in the Preliminary Limited Offering Memorandum as Appendix C, together with a letter of such counsel, dated as of the Closing Date and addressed to the Underwriter and the Trustee, to the effect that the foregoing opinion addressed to the District may be relied upon by the Underwriter and the Trustee to the same extent as if such opinion were addressed to them;

(5) The supplemental opinion, dated as of the Closing Date and addressed to the District and the Underwriter, of Akerman LLP, Bond Counsel, in the form annexed as Exhibit C hereto;

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

(7) Intentionally omitted;

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

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

(10) Intentionally omitted;

(11) A copy of the Act;

(12) A certificate, dated as of the Closing Date, signed by the Chairperson or Vice-Chairperson and the Secretary or an Assistant Secretary of the Board, setting forth that: (i) each of the representations of the District contained herein was true and accurate in all material respects on the date when made, has been true and accurate in all material respects at all times since, and continues to be true and accurate in all material respects on the Closing Date as if made on such date; (ii) the District has performed all obligations to be performed hereunder as of the Closing Date; (iii) except as may be disclosed in the Limited Offering Memoranda, the District has never been in default as to principal or interest with respect to any obligation issued or guaranteed by the District; (iv) the District agrees to take all reasonable action necessary to use the Uniform Method as the means of collecting the Unit No. 3 Refunding Assessments as described in the Indenture; and (v) the Limited Offering Memoranda (other than the information under the captions "DESCRIPTION OF THE UNIT NO. 3 REFUNDING BONDS – Book-Entry System," "TAX MATTERS," "SUITABILITY FOR INVESTMENT" and "UNDERWRITING," as to which no view need be expressed) as of its date, and as of the date hereof, does not contain any untrue statement of a material fact or omit to state a material fact which should be included therein for the purposes for which the Limited Offering Memoranda is to be used, or which is necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading;

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

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

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

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

(17) A certificate of the District Manager and Methodology Consultant in the form annexed as Exhibit E hereto or otherwise in form and substance acceptable to the Underwriter and its counsel;

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

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

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

(21) Evidence satisfactory to the Underwriter and its counsel of the refunding and redemption of the Original Unit No. 3 Bonds;

(22) A certified copy of the final judgment of the Circuit Court in and for the County, validating the Bonds and a certificate of no-appeal;

(23) A copy of the Master Assessment Methodology Report dated June 24, 2014, as supplemented by the First Supplemental Assessment Methodology Report dated the date hereof (collectively, the "Assessment Methodology Report"), as amended and supplemented from time to time, relating to the Bonds;

(24) A copy of the Engineer's Report and all supplements thereto;

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

(26) A certificate of the Dissemination Agent (i) acknowledging its agreement to serve as the initial Dissemination Agent for the District and undertake the obligations of the Dissemination Agent as set forth in the Disclosure Agreement, (ii) representing that the Dissemination Agent is aware of the continuing disclosure requirements set forth in the Disclosure Agreement and Rule 15c2-12, and that it has policies and procedures in place to ensure its compliance with its obligations under the Disclosure Agreement, and (iii) covenanting to comply with its obligations under the Disclosure Agreement; and

(27) Such additional legal opinions, certificates, instruments and other documents as the Underwriter, Underwriter's Counsel, Bond Counsel or counsel to the District may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the District's representations and warranties contained herein and of the statements and information contained in the Limited Offering Memoranda and the due performance or satisfaction by the District on or prior to the Closing of all the agreements then to be performed and conditions then to be satisfied by each.

If the District shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds contained in this

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

9. Termination. The Underwriter shall have the right to terminate its obligations under this Purchase Contract to purchase, to accept delivery of and to pay for the Bonds by notifying the District of its election to do so if, after the execution hereof and prior to the (i) legislation shall have been introduced in or enacted by the Congress of the United States or enacted by the State, or legislation pending in the Congress of the United States shall have been amended, or legislation shall have been recommended to the Congress of the United States or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairperson or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation shall have been proposed for consideration by either such committee, by any member thereof, or legislation shall have been favorably reported for passage to either House of Congress of the United States by a committee of such House to which such legislation has been referred for consideration, or a decision shall have been rendered by a court of the United States or the State, including the Tax Court of the United States, or a ruling shall have been made or a regulation shall have been proposed or made or a press release or other form of notice shall have been issued by the Treasury Department of the United States, or the Internal Revenue Service or other federal or State authority, with respect to federal or State taxation upon revenues or other income of the general character to be derived by the District or by any similar body, or upon interest on obligations of the general character of the Bonds, which may have the purpose or effect, directly or indirectly, of materially and adversely affecting the tax status of the District, its property or income, its securities (including the Bonds) or the interest thereon, or any tax exemption granted or authorized by the State or, which in the reasonable opinion of the Underwriter, affects materially and adversely the market for the Bonds, or the market price generally of obligations of the general character of the Bonds; (ii) the District has, without the prior written consent of the Underwriter, offered or issued any bonds, notes or other obligations for borrowed money, or incurred any material liabilities, direct or contingent, or there has been an adverse change of a material nature in the financial position, results of operations or condition, financial or otherwise, of the District, other than in the ordinary course of its business; (iii) any event shall have occurred or shall exist which, in the reasonable opinion of the Underwriter, would or might cause the information contained in the Limited Offering Memorandum, as then supplemented or amended, to contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not or (iv) the District fails to adopt the Assessment Resolution or fails to perform any action to be performed by it in connection with the levy of the Unit No. 3 Refunding Assessments.

10. Expenses.

(a) The District agrees to pay, and the Underwriter shall not be obligated to pay, any expenses incident to the performance of the District's obligations hereunder, including, but not limited to: (i) the cost of the preparation and distribution of the Indenture; (ii) the cost of the preparation and printing, if applicable, of the Limited Offering Memoranda and any supplements thereto, together with a reasonable number of copies which the Underwriter may request; (iii) the cost of registering the Bonds in the name of Cede & Co., as nominee of DTC, which will act as securities depository for such Bonds; (iv) the fees and disbursements of counsel to the District, the District Manager, the Dissemination Agent, Bond Counsel, Underwriter's Counsel, the District's methodology consultant, the District Engineer, and any other experts or consultants retained by the District; and (v) the cost of recording in the Official Records of the County any Financing Documents or other documents or certificates that are required to be recorded pursuant to the terms of this Purchase Contract. The District shall record all documents required to be provided in recordable form hereunder within one (1) business day after the Closing Date, which obligation shall survive the Closing.

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

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

12. Notices. Any notice or other communication to be given to the District under this Purchase Contract may be given by delivering the same in writing to the District Manager at Special District Services, Inc., 2501A Burns Road, Palm Beach Gardens, Florida 33410, and any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to FMSbonds, Inc., 20660 W. Dixie Highway, North Miami Beach, Florida 33180, Attention: Jon Kessler.

13. Parties in Interest; Survival of Representations. This Purchase Contract is made solely for the benefit of the District and the Underwriter (including the successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. All of the District's representations, warranties and agreements contained in this

Purchase Contract, with the understanding that all such are made as of the date hereof, shall remain operative and in full force and effect and survive the closing on the Bonds, regardless of: (i) any investigations made by or on behalf of the Underwriter and (ii) delivery of and payment for the Bonds pursuant to this Purchase Contract.

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

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

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

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

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

[Signature page follows.]

Very truly yours,

FMSBONDS, INC.

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

Accepted and agreed to this
___ day of _____, 2017.

**WEST VILLAGES IMPROVEMENT
DISTRICT**

By: _____
_____,
_____ Chair, Board of Supervisors

EXHIBIT A

DISCLOSURE AND TRUTH-IN-BONDING STATEMENT

_____, 2017

West Villages Improvement District
North Port, Florida

Re: \$_____ West Villages Improvement District Special Assessment Revenue
Refunding Bonds (Unit of Development No. 3), Series 2017

Dear Ladies and Gentlemen:

Pursuant to Chapter 218.385, Florida Statutes, and with respect to the issuance of the above-referenced bonds (the "Unit No. 3 Refunding Bonds"), FMSbonds, Inc. (the "Underwriter"), having purchased the Unit No. 3 Refunding Bonds pursuant to a Bond Purchase Contract dated _____, 2017 (the "Bond Purchase Contract"), between the Underwriter and West Villages Improvement District (the "District"), furnishes the following information in connection with the Limited Offering and sale of the Unit No. 3 Refunding Bonds. Capitalized terms used but not defined herein shall have the meanings assigned to them in the Bond Purchase Contract.

1. The total underwriting discount to be paid to the Underwriter pursuant to the Bond Purchase Contract is approximately \$___ per \$1,000.00 or \$_____.
2. There are no "finders" as such term is used in Sections 218.385 and 218.386, Florida Statutes, in connection with the issuance of the Unit No. 3 Refunding Bonds.
3. The nature and estimated amounts of expenses to be incurred by the Underwriter in connection with the issuance of the Unit No. 3 Refunding Bonds are set forth in Schedule I attached hereto.
4. Any other fee, bonus or other compensation estimated to be paid by the Underwriter in connection with the Bonds to any person not regularly employed or retained by the Underwriter in connection with the Bonds to any person not regularly employed or retained by the Underwriter is as follows: None. GrayRobinson, P.A. has been retained as counsel to the Underwriter and will be compensated by the District.
5. Pursuant to the provisions of Sections 218.385(2) and (3), Florida Statutes, as amended, the following truth-in-bonding statements are made with respect to the Unit No. 3 Refunding Bonds.

The District is proposing to issue \$_____ aggregate amount of the Unit No. 3 Refunding Bonds for the purpose of providing moneys, together with other legally available

moneys of the District, to: (i) currently refund the Refunded Bonds; (ii) finance the Cost of acquisition, construction, installation and equipping of the 2017 Project; (iii) pay certain costs associated with the issuance of the Unit No. 3 Refunding Bonds; and (iv) fund the 2017 Reserve Account as herein provided. This debt or obligation is expected to be repaid over a period of approximately _____ () years. At a net interest cost of approximately _____% for the Unit No. 3 Refunding Bonds, total interest paid over the life of the Unit No. 3 Refunding Bonds will be \$_____.

The source of repayment for the Unit No. 3 Refunding Bonds is the Unit No. 3 Refunding Assessments imposed and collected by the District. Based solely upon the assumptions set forth in the paragraph above, the issuance of the Unit No. 3 Refunding Bonds will result in approximately \$_____ of the District's special assessment revenues not being available to the District on an annual basis to finance other services of the District; provided however, that in the event that the Unit No. 3 Refunding Bonds were not issued, the District would not be entitled to impose and collect the Unit No. 3 Refunding Assessments in the amount of the principal of and interest to be paid on the Unit No. 3 Refunding Bonds.

The address of the Underwriter is:

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

[Signature page follows.]

Sincerely,

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

SCHEDULE I

<u>Expense</u>	<u>Amount</u>
DALCOMP	
Clearance	
CUSIP	
DTC	
FINRA/SIPC	
MSRB	
Newsservice	
Electronic Orders	
TOTAL:	<hr/>

EXHIBIT B

TERMS OF BONDS

1. **Purchase Price:** \$_____ (representing the \$_____ aggregate principal amount of the Bonds, less an underwriter's discount of \$_____).

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

<u>Amount</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Price</u>
---------------	-----------------	----------------------	--------------

3. **Redemption Provisions:**

Optional Redemption

The Unit No. 3 Refunding Bonds are subject to redemption at the option of the District prior to maturity, in whole or in part, on any date on or after _____ 1, 20__ at the Redemption Price of 100% of the principal amount to be redeemed plus accrued interest to the redemption date.

Mandatory Sinking Fund Redemption

The Unit No. 3 Refunding Bonds maturing _____ 1, 20__ are subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2017 Sinking Fund Account established under the Second Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, on _____ 1 of the years and in the principal amounts set forth below.

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

* Maturity

The Unit No. 3 Refunding Bonds maturing _____ 1, 20__ are subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2017 Sinking Fund Account established under the Second Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, on _____ 1 of the years and in the principal amounts set forth below.

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

* Maturity

The Unit No. 3 Refunding Bonds maturing _____ 1, 20__ are subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2017 Sinking Fund Account established under the Second Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, on _____ 1 of the years and in the principal amounts set forth below.

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

* Maturity

The Unit No. 3 Refunding Bonds maturing _____ 1, 20__ are subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2017 Sinking Fund Account established under the Second Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, on _____ 1 of the years and in the principal amounts set forth below.

Year Amortization
Installment

* Maturity

Upon redemption or purchase of the Unit No. 3 Refunding Bonds (other than redemption in accordance with scheduled Amortization Installments), the District shall cause to be recalculated and delivered to the Trustee revised Amortization Installments recalculated so that debt service on the Unit No. 3 Refunding Bonds is amortized in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Unit No. 3 Refunding Bonds.

Extraordinary Mandatory Redemption

The Unit No. 3 Refunding Bonds are subject to extraordinary mandatory redemption prior to scheduled maturity, in whole on any date or in part on any Redemption Date (as defined herein), and if in part on a pro rata basis calculated by the District determined by the ratio of the Outstanding principal amount of each maturity of the Unit No. 3 Refunding Bonds, treating for such purposes each Amortization Installment as a maturity divided by the aggregate principal amount of Outstanding Unit No. 3 Refunding Bonds and as otherwise provided in the Indenture, at the Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to such redemption date, if and to the extent that any one or more of the following shall have occurred:

(i) On or after the Completion Date of the 2017 Project by application of moneys transferred from the 2017 Acquisition and Construction Account to the 2017 Prepayment Account in accordance with the terms of the Second Supplemental Indenture; or

(ii) Amounts are deposited into the 2017 Prepayment Account from the prepayment of Unit No. 3 Refunding Assessments and from amounts deposited into the 2017 Prepayment Subaccount from the 2017 Reserve Account; or

(iii) When the amount on deposit in the 2017 Reserve Account, together with other moneys available therefor, are sufficient to pay and redeem all the Unit No. 3 Refunding Bonds then Outstanding as provided in the Second Supplemental Indenture.

"Redemption Date" shall mean each February 1, May 1, August 1 and November 1.

Except as otherwise provided in the Indenture, if less than all of the Unit No. 3 Refunding Bonds subject to redemption shall be called for redemption, the particular such Unit No. 3

Refunding Bonds or portions of such Unit No. 3 Refunding Bonds to be redeemed shall be selected by lot by the Registrar as provided in the Indenture.

EXHIBIT C

BOND COUNSEL'S SUPPLEMENTAL OPINION

_____, 2017

West Villages Improvement District
North Port, Florida

FMSbonds, Inc.
North Miami Beach, Florida

Re: \$_____ West Villages Improvement District Special Assessment Revenue
Refunding Bonds (Unit of Development No. 3), Series 2017

Ladies and Gentlemen:

We have acted as Bond Counsel to the West Villages Improvement District (the "District"), an improvement district organized and existing under the provisions of Chapter 2004-456, Laws of Florida, as amended by Chapters 2006-355, 2007-307 and 2008-284, Laws of Florida (collectively, the "Act") in connection with the issuance by the District of its \$_____ original aggregate principal amount of West Villages Improvement District Special Assessment Revenue Refunding Bonds (Unit of Development No. 3), Series 2017 (the "Bonds"). In such capacity, we have rendered our final approving opinion (the "Opinion") of even date herewith relating to the Bonds. The Bonds are secured pursuant to that certain Master Trust Indenture, dated April 1, 2006, as supplemented and amended by that certain Second Supplemental Trust Indenture, dated as of _____ 1, 2017 by and between the District and U.S. Bank National Association, as trustee (the "Trustee").

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

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

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

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

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

3. The information in the Limited Offering Memorandum under the captions "INTRODUCTION," "DESCRIPTION OF THE UNIT NO. 3 REFUNDING BONDS" (excluding the information under the subsection "- Book-Entry System"), "SECURITY FOR AND SOURCE OF PAYMENT OF THE UNIT NO. 3 REFUNDING BONDS" (excluding the first paragraph under the subsection "Prepayment of Unit No. 3 Refunding Assessments") and "APPENDIX B: PROPOSED FORMS OF INDENTURES," insofar as such statements constitute descriptions of the Bonds or the Indenture, are accurate as to the matters set forth or documents described therein and the information under the captions "TAX MATTERS," and "AGREEMENT BY THE STATE," insofar as such information purports to describe or summarize certain provisions of the laws of the State of Florida (the "State") and the provisions of the Internal Revenue Code of 1986, as amended (the "Code") constitutes an accurate summary of such provisions.

4. The lien of the Refunded Bonds (as defined in the Indenture) on the pledged revenues and the funds and accounts pledged thereto has been defeased and discharged.

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

Very truly yours,

EXHIBIT D

ISSUER'S COUNSEL'S OPINION

_____, 2017

West Villages Improvement District
City of North Port and Sarasota County, Florida

FMSbonds, Inc.
North Miami Beach, Florida

U.S. Bank National Association, as Trustee
Ft. Lauderdale, Florida
(solely for reliance upon Sections C.1, C.2 and C.3.)

Re: \$_____ West Villages Improvement District Special Assessment Revenue
Refunding Bonds (Unit of Development No. 3), Series 2017

Ladies and Gentlemen:

We serve as counsel to the West Villages Improvement District ("**District**"), a local unit of special-purpose government established pursuant to the laws of the State of Florida, in connection with the sale by the District of its \$_____ West Villages Improvement District Special Assessment Revenue Refunding Bonds (Unit of Development No. 3), Series 2017 ("**Bonds**"). This letter is delivered to you pursuant to Section 3.01 of the Master Indenture (defined below), Section 207 of the Supplemental Trust Indenture (defined below), and Section 8 of the Bond Purchase Contract (referenced below), and is effective as of the date first written above. Each capitalized term not otherwise defined herein has the meaning given it to it in the Indenture (defined herein).

A. DOCUMENTS EXAMINED

In rendering the opinions set forth below, we have examined and/or relied upon the following documents and have made such examination of law as we have deemed necessary or appropriate:

1. Chapter 2004-456, Laws of Florida, as amended by Chapters 2006-355, 2007-307 and 2008-284, Laws of Florida (collectively, the "**Act**"), establishing the District;
2. Resolution Nos. 2005-33 and 2005-35, adopted by the District on September 27, 2005 and November 1, 2005, approving and confirming the designation of Unit of Development No. 3 ("**Unit 3 Establishment**");
3. the *Master Trust Indenture*, dated as of April 1, 2006 ("**Master Indenture**"), as supplemented by the *Second Supplemental Trust Indenture*, dated as of _____ 1, 2017 ("**Supplemental Trust Indenture**," and together with the

- Master Indenture, "**Indenture**"), each by and between the District and U.S. Bank National Association, as trustee ("**Trustee**");
4. Resolutions Nos. 2005-38 and 2017-____, adopted by the District on November 1, 2005 and June 29, 2017, respectively (collectively, "**Bond Resolution**");
 5. [the *Unit of Development No. 3 Master Plan of Improvements* dated November 1, 2005 ("**Engineer's Report**"), which describes among other things, the "**Project**";]
 6. *Final Master Assessment Methodology Report (Unit of Development No. 3)* dated June 24, 2014, and the *First Supplemental Assessment Methodology Report* dated _____, 2017 (collectively, "**Assessment Methodology**");
 7. Resolution Nos. _____ (collectively, "**Assessment Resolution**"), adopted by the District on _____ respectively, establishing the debt service special assessments ("**Debt Assessments**") securing the Bonds;
 8. the *Final Judgment* issued on March 10, 2006 by the Circuit Court for the Twelfth Judicial Circuit in and for Sarasota County, Florida in Case No. 2006-CA-000071 NC, and the Certificate of No Appeal issued on April 19, 2006;
 9. the Preliminary Limited Offering Memorandum dated _____, 2017 ("**PLOM**") and Limited Offering Memorandum dated _____, 2017 ("**LOM**");
 10. certain certifications by FMSbonds, Inc. ("**Underwriter**"), as underwriter to the sale of the Bonds;
 11. certain certifications of Stantec Consulting Services, Inc., as District Engineer;
 12. certain certifications of Special District Services, Inc., as District Manager and Assessment Consultant;
 13. general and closing certificates of the District;
 14. an opinion of Akerman LLP ("**Bond Counsel**") issued to the District in connection with the sale and issuance of the Bonds;
 15. an opinion of Greenberg Traurig, P.A. ("**Trustee Counsel**") issued to the District and Underwriter in connection with the sale and issuance of the Bonds;
 16. the following agreements ("**Bond Agreements**"):
 - (a) the Continuing Disclosure Agreement dated _____, 2017, by and between the District and a dissemination agent;
 - (b) the Bond Purchase Contract between the Underwriter and the District and dated _____, 2017 ("**BPA**");
 17. such other documents as we have deemed necessary or appropriate in rendering the opinions set forth below.

We have also attended various meetings of the District and have participated in conferences from time to time with representatives of the District, the District Engineer, the District Manager and Assessment Consultant, Bond Counsel, the Underwriter, counsel to the Underwriter, the Developer, counsel to the Developer, and others relative to the Limited Offering Memorandum and the related documents described herein.

B. RELIANCE

This opinion is solely for the benefit of the (i) District; (ii) the Underwriter; and (iii) the Trustee; however, the Trustee may only rely on this opinion for the limited purposes of the

opinions stated in Sections C.1, C.2 and C.3. This opinion may not be relied on by any other party or for any other purpose without our prior written consent.

C. OPINIONS

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

1. **Authority** – Under the Florida Constitution and laws of the State, the District has been duly established and validly exists as a local unit of special purpose government pursuant to the Act, with such powers as set forth in the Act, and with good, right and lawful authority: (a) to enter into and to consummate the transactions contemplated by the Bond Resolution, the Assessment Resolution, the Indenture, the Bonds and the Bond Agreements; (b) to issue the Bonds for the purposes for which they are issued; (c) to impose, levy, collect and enforce the Debt Assessments and pledge the Pledged Revenues to secure the Bonds as provided in the Indenture; (d) to adopt the Bond Resolution and the Assessment Resolution; and (e) to perform its obligations under the terms and conditions of the Bond Resolution, the Assessment Resolution, the Bond Agreements, the Bonds and the Indenture.

2. **Assessments** – The proceedings by the District with respect to the Debt Assessments have been in accordance with Florida law. The District has taken all action necessary to levy and impose the Debt Assessments as set forth in the Assessment Resolution, Assessment Methodology, and/or other applicable documents. The Debt Assessments constitute legal, valid, binding and enforceable first liens upon the property against which such Debt Assessments are assessed, co-equal with the lien of all state, county, district and municipal taxes and assessments, and superior in dignity to all other liens, titles and claims, until paid.

3. **Agreements** – The (a) Bond Resolution, (b) Assessment Resolution, (c) Bonds, (d) Indenture, and (d) Bond Agreements (assuming due authorization, execution and delivery of documents (c) – (d) listed herein by any parties thereto other than the District) have been duly and validly authorized, executed and delivered by the District, have been duly approved and adopted and/or issued by the District, are in full force and effect, constitute legal, valid and binding obligations of the District, and are enforceable against the District in accordance with their respective terms. All conditions prescribed in the Indenture as precedent to the issuance of the Bonds have been fulfilled.

4. **Validation** – The Bonds have been validated by a final judgment of the Circuit Court in and for Sarasota County, Florida, of which no timely appeal was filed.

5. **Governmental Approvals** – As of the date hereof, all necessary consents, approvals, waivers or other actions by or filings with any governmental authority or other entity that are required for: (a) the adoption of the Bond Resolution and the Assessment Resolution; (b) the issuance, sale, execution and delivery of the Bonds upon the terms set forth in the BPA, PLOM, and LOM; and (c) the execution and delivery of the Indenture and Bond Agreements.

6. **PLOM and LOM** – The District has duly authorized the execution, delivery and distribution by the Underwriter of the PLOM and LOM. To our knowledge, and based upon our

review of the PLOM and LOM and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the PLOM and LOM, and as of the date of their respective issuances, and with respect to the PLOM, the date of the BPA, and with respect to the LOM, the date hereof, nothing has come to our attention which would lead us to believe that the PLOM and LOM contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading, provided however that the opinions stated herein extend only to the following provisions of the PLOM and LOM: "SECURITY FOR AND SOURCE OF PAYMENT OF THE UNIT NO. 3 REFUNDING BONDS – Prepayment of Unit No. 3 Refunding Assessments," "ENFORCEMENT OF ASSESSMENT COLLECTIONS," "THE DISTRICT" (excluding the subcaption "The District Manager and Other Consultants"), "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS," "UNIT NO. 3," "AGREEMENT BY THE STATE," "LITIGATION," "CONTINUING DISCLOSURE," "VALIDATION," and "AUTHORIZATION AND APPROVAL," and further provided however that the opinions stated herein do not extend to any statements that constitute descriptions of the Bonds or the Indenture. No information or opinion is offered as to any remaining provisions of the PLOM or LOM.

7. ***Litigation*** – Based on inquiry of the District's Registered Agent for service of process and the fact that we have not been served with notice, there is no litigation pending or, to the best of our knowledge, threatened against the District: (a) seeking to restrain or enjoin the issuance or delivery of the Bonds or the application of the proceeds thereof, or the imposition, levy or collection of the Debt Assessments or the Pledged Revenues pledged for the payment of the debt service on the Bonds; (b) contesting or affecting the authority for the authority for the Debt Assessments, the authority for the issuance of the Bonds or the validity or enforceability of the Bonds, the Indenture, the Bond Agreements or the transactions contemplated thereunder; (c) contesting or affecting the establishment or existence of the District or any of its Supervisors, officers or employees, its assets, property or condition, financial or otherwise, or contesting or affecting any of the powers of the District, including its power to enter into the Indenture or the Bond Agreements, or its power to determine, assess, levy, collect and pledge the Debt Assessments for the payment of the debt service on the Bonds; or (d) specifically contesting the exclusion from federal gross income of interest on the Bonds.

8. ***Compliance with Laws*** – To the best of our knowledge, the District is not, in any manner material to the issuance of the Bonds or the Debt Assessments, in breach of or default under any applicable provision of the Act or constitutional provision, statute, or administrative regulation of the State of Florida, or any applicable judgment or decree, any loan agreement, indenture, bond, note, resolution, agreement (including the Bond Agreements and Indenture), or any other material instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, and to the best of our knowledge, no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a material default or event of default by the District under any such instrument; provided, however, that no opinion is expressed as to compliance with any state or federal tax or securities laws.

9. ***Authority to Undertake the Project*** - The District has good right and lawful authority under the Act to undertake, finance, acquire, construct, own, and operate the Project,

subject to obtaining such licenses, orders or other authorizations as are, at the date of such opinion, required to be obtained from any agency or regulatory body.

D. CERTAIN ASSUMPTIONS

In rendering the foregoing opinions, we have assumed the following: (1) that all public records, certifications, agreements and other documents examined by us that have been executed or certified by public officials acting within the scope of their official capacities are authentic, truthful and accurate; (2) that copies of such public records, certifications, agreements, and other documents furnished to us are authentic and conform to the originals; (3) that all signatures on executed public records, certifications, agreements and other documents are genuine; and (4) that all public records, certifications, agreements and other documents have been properly authorized and are binding on each of the other parties thereto. Such assumptions do not apply to District documents.

E. CERTAIN QUALIFICATIONS

The foregoing opinions are subject to the following qualifications:

1. The opinions or statements expressed above are based solely on the laws of Florida in effect at the time of issuance of the Bonds. Accordingly, we express no opinion nor make any statement regarding the effect or application of the laws of the federal government (including but not limited to the Internal Revenue Code or any proposed changes thereto), or any other state or other jurisdiction.

2. Our opinion as to enforceability of any document is subject to limitations imposed by bankruptcy, insolvency, reorganization, moratorium, liquidation, readjustment of debt, or similar laws, relating to or affecting creditors' rights generally and general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), and to the exercise of judicial discretion in appropriate cases, including the fact that specific performance and other equitable remedies are granted only in the discretion of a court.

3. Nothing herein shall be construed as an opinion regarding the possible applicability of state securities or "blue sky" laws or federal securities laws, as to which no opinion is expressed.

4. We further express no opinion as to the necessity for an interest rate waiver under Florida law, or the applicability of any provision or section of the Internal Revenue Code.

5. We express no opinion and make no representations with regard to financial information or statistical data. We express no opinion as to compliance with any state or federal tax laws.

6. We have not reviewed, and therefore express no opinion, regarding any land use, real property or other related items, including but not limited to whether the Developer is able to convey good and marketable title to any particular real property or interest therein and related to the Project.

7. With respect to any of the opinions set forth in this letter which are based on or qualified by the phrase "to our knowledge," the words "to our knowledge" signify that, in the course of our representation of the District, no facts have come to our attention that would give us actual knowledge that any such opinions or other matters are not accurate. Except to the extent expressly set forth herein, we have not undertaken any independent investigation to determine the existence or absence of any such facts, and no inference as to our knowledge of the existence of such facts should be drawn from the fact of our representation of District.

8. The opinions set forth herein are based on factual representations made to us as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of a particular result, and are not binding on the courts or any other entity; rather, our opinions represent our professional judgment based on our review of existing law, and in reliance on the representations and covenants that we deem relevant to such opinions.

Very truly yours,

HOPPING GREEN & SAMS PA

For the Firm

EXHIBIT E

CERTIFICATE OF DISTRICT MANAGER AND METHODOLOGY CONSULTANT

SPECIAL DISTRICT SERVICES, INC. ("Special District Services") DOES HEREBY CERTIFY:

1. This certificate is furnished pursuant to Section 8(c)(18) of the Bond Purchase Contract dated _____, 2017 (the "Purchase Contract"), by and between West Villages Improvement District (the "District") and FMSbonds, Inc. with respect to the \$_____ West Villages Improvement District Special Assessment Revenue Refunding Bonds (Unit of Development No. 3), Series 2017 (the "Bonds"). Capitalized terms used, but not defined, herein shall have the meaning assigned thereto in the Purchase Contract or the Preliminary Limited Offering Memorandum dated _____, 2017 (the "Preliminary Limited Offering Memorandum") and the Limited Offering Memorandum dated _____, 2017 (the "Limited Offering Memorandum" and, together with the Preliminary Limited Offering Memorandum, the "Limited Offering Memoranda") relating to the Bonds, as applicable.

2. Special District Services has acted as district manager and methodology consultant to the District in connection with the sale and issuance by the District of its Bonds and have participated in the preparation of the Limited Offering Memoranda.

3. In connection with the issuance of the Bonds, we have been retained by the District to prepare the Final Master Assessment Methodology Report (Unit of Development No. 3) dated June 24, 2014, as supplemented by the First Supplemental Assessment Methodology Report (Unit of Development No. 3) (Series 2017 Project) dated _____, 2017 (collectively, the "Assessment Methodology Report"), which Assessment Methodology Report has been included as an appendix to the Limited Offering Memoranda. We hereby consent to the use of such Assessment Methodology Report in the Limited Offering Memoranda and consent to the references to us therein.

4. As District Manager, nothing has come to our attention that would lead us to believe that the Limited Offering Memoranda, as they relate to the District, the 2017 Project, or any information provided by us, and the Assessment Methodology Report, as of their respective dates and as of this date, contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to be stated therein in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

5. The information set forth in the Limited Offering Memoranda under the subcaption "THE DISTRICT," "ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS," "UNIT NO. 3," "LITIGATION," "CONTINGENT FEES," "FINANCIAL INFORMATION," "DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS," "CONTINUING DISCLOSURE," and in "APPENDIX E: ASSESSMENT METHODOLOGY REPORT" and in "APPENDIX F: DISTRICT'S FINANCIAL STATEMENTS" did not as of the respective dates of the Limited Offering Memoranda and does not as of the date hereof contain any untrue statement of a material fact or omit to state a material

fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

6. To the best of our knowledge, there has been no change which would materially adversely affect the assumptions made or the conclusions reached in the Assessment Methodology Report and the considerations and assumptions used in compiling the Assessment Methodology Report are reasonable. The Assessment Methodology Report and the assessment methodology set forth therein were prepared in accordance with all applicable provisions of Florida law.

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

8. The Unit No. 3 Refunding Assessments, as initially levied, and as may be reallocated from time to time as permitted by resolutions adopted by the District with respect to the Unit No. 3 Refunding Assessments, are sufficient to enable the District to pay the debt service on the Bonds through the final maturity thereof.

Dated: _____, 2017.

SPECIAL DISTRICT SERVICES, INC., a
Florida corporation

By: _____
Name: _____
Title: _____

EXHIBIT F

CERTIFICATE OF STANTEC CONSULTING SERVICES INC.

STANTEC CONSULTING SERVICES INC. (the "Engineers"), DOES HEREBY CERTIFY, that:

1. This certificate is furnished pursuant to Section 8(c)(17) of the Bond Purchase Contract dated _____, 2017 (the "Purchase Contract"), by and between West Villages Improvement District (the "District") and FMSbonds, Inc. with respect to the \$_____ West Villages Improvement District Special Assessment Revenue Refunding Bonds (Unit of Development No. 3), Series 2017 (the "Bonds"). Capitalized terms used, but not defined, herein shall have the meaning assigned thereto in the Purchase Contract or the Preliminary Limited Offering Memorandum dated _____, 2017 (the "Preliminary Limited Offering Memorandum") and the Limited Offering Memorandum dated _____, 2017 (the "Limited Offering Memorandum" and, together with the Preliminary Limited Offering Memorandum, the "Limited Offering Memoranda"), as applicable.

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

3. The plans and specifications for the 2017 Project (as described in the Limited Offering Memoranda and the Report (as defined below)) were approved by all regulatory bodies required to approve them. All environmental and other regulatory permits or approvals required in connection with the construction of 2017 Project were obtained or are expected to be obtained in the ordinary course.

4. The Engineers prepared the West Villages Improvement District Unit of Development No. 3 Master Plan of Improvements, dated _____ (the "Report"). The Report was prepared in accordance with generally accepted engineering principles. The Report is included as "APPENDIX A: ENGINEER'S REPORT" to the Limited Offering Memoranda and a description of the Report and certain other information relating to the 2017 Project are included in the Limited Offering Memoranda under the captions "THE PLAN OF IMPROVEMENTS" and "UNIT NO. 3." The Report and said information are true and complete in all material respects, contain no untrue statement of a material fact, and do not omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

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

6. The 2017 Project, to the extent constructed, has been constructed in sound workmanlike manner and in accordance with industry standards.

7. The price being paid by the District for acquisition of the improvements included within the 2017 Project does not exceed the lesser of the cost of the 2017 Project or the fair market value of the assets acquired by the District.

8. Except as otherwise described in the Limited Offering Memoranda, (a) all government permits required in connection with the construction of the development of the 2017 Project as described in the Limited Offering Memoranda have been received or are expected to be received in the ordinary course; (b) we are not aware of the any default of any zoning condition, land use permit or development agreement which would adversely affect the ability to complete development of the 2017 Project and the District Lands as described in the Limited Offering Memoranda and all appendices thereto; and (c) we have no actual knowledge and are not otherwise aware of any reason to believe that any permits, consents and licenses required to complete the development of the 2017 Project as described in the Limited Offering Memoranda will not be obtained in due course as required by the District, or any other person or entity, necessary for the development of the 2017 Project as described in the Limited Offering Memoranda and all appendices thereto.

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

Date: _____, 2017

STANTEC CONSULTING SERVICES INC.

By: _____
Print Name: _____
Title: _____

This Preliminary Limited Offering Memorandum and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Limited Offering Memorandum constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Unit No. 3 Refunding Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or exemption under the securities laws of such jurisdiction. The District has deemed this Preliminary Limited Offering Memorandum "final," except for permitted omissions, within the contemplation of Rule 15c2-12 promulgated by the Securities and Exchange Commission.

DRAFT-3
GrayRobinson, P.A.
June 26, 2017

PRELIMINARY LIMITED OFFERING MEMORANDUM DATED JUNE ____, 2017

NEW ISSUE - BOOK-ENTRY ONLY
LIMITED OFFERING

NOT RATED

In the opinion of Bond Counsel (as hereinafter defined), under existing statutes, regulations, published rulings and court decisions, and assuming compliance by the District with the tax covenants described herein and the accuracy of certain representations included in the closing transcript for the Unit No. 3 Refunding Bonds (as defined herein), interest on the Unit No. 3 Refunding Bonds is under Section 103 of the Code (as defined herein) excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. Such interest, however, will be includable in the calculation of certain corporations' alternative minimum taxable income. See "TAX MATTERS" herein regarding certain other tax considerations.

\$16,800,000*
WEST VILLAGES IMPROVEMENT DISTRICT
(CITY OF NORTH PORT, FLORIDA)
SPECIAL ASSESSMENT REVENUE REFUNDING BONDS, SERIES 2017
(UNIT OF DEVELOPMENT NO. 3)

Dated: Date of Issuance

Due: As set forth below

The West Villages Improvement District Special Assessment Revenue Refunding Bonds, Series 2017 (Unit of Development No. 3) (the "Unit No. 3 Refunding Bonds") are being issued by the West Villages Improvement District (the "District") only in fully registered form, without coupons, in denominations of \$5,000 or any integral multiple thereof.

The Unit No. 3 Refunding Bonds will bear interest at the fixed rates set forth below, calculated on the basis of a 360-day year comprised of twelve 30-day months, payable semi-annually on each May 1 and November 1, commencing November 1, 2017. The Unit No. 3 Refunding Bonds, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. Purchases of beneficial interests in the Unit No. 3 Refunding Bonds will be made only in book-entry form. Accordingly, principal of and interest on the Unit No. 3 Refunding Bonds will be paid from the 2017 Trust Estate (as hereinafter defined) by U.S. Bank National Association, as trustee (the "Trustee") directly to DTC as the registered owner thereof. Disbursements of such payments to the DTC Participants (as hereinafter defined) is the responsibility of DTC and disbursements of such payments to the beneficial owners is the responsibility of DTC Participants and the Indirect Participants (as hereinafter defined), as more fully described herein. Any purchaser of a beneficial interest of a Unit No. 3 Refunding Bond must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive payment of the principal of and interest on such Unit No. 3 Refunding Bond. See "DESCRIPTION OF THE UNIT NO. 3 REFUNDING BONDS – Book-Entry System" herein.

Proceeds of the Unit No. 3 Refunding Bonds will be applied together with other legally available District moneys to: (i) currently refund the Refunded Bonds (as defined herein); (ii) finance the Cost of acquisition, construction, installation and equipping of the 2017 Project (as defined herein); (iii) finance the cost of acquisition, construction, installation and equipping of the 2006 Project (as defined herein); (iv) pay certain costs associated with the issuance of the Unit No. 3 Refunding Bonds; and (v) fund the 2017 Reserve Account as herein provided. See "ESTIMATED SOURCES AND USES OF UNIT NO. 3 REFUNDING BOND PROCEEDS."

The District, which is the issuer of the Unit No. 3 Refunding Bonds, is a local unit of special purpose government of the State of Florida (the "State"), organized and existing under the provisions of Chapter 2004-456, Laws of Florida, as amended by Chapters 2006-355, 2007-307 and 2008-284, Laws of Florida and other applicable provisions of State law (collectively, the "Act"). The Unit No. 3 Refunding Bonds are being issued pursuant to the Act, Resolution Nos. 2005-38 and 2017- [REDACTED] adopted by the Board of Supervisors (the "Board") of the District on November 1, 2005 and June 29, 2017, respectively, and a Master Trust Indenture, dated as of April 1, 2006 (the "Master Indenture"), as supplemented by a Second Supplemental Trust Indenture dated as of July 1, 2017 (the "Second Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), each by and between the District and the Trustee. The Unit No. 3 Refunding Bonds are equally and ratably secured by the 2017 Trust Estate, without preference or priority of one Unit No. 3 Refunding Bond over another. The 2017 Trust Estate consists of all right, title and interest of the District in, to and under, subject to the terms of the Indenture, the revenues derived by the District from the Unit No. 3 Refunding Assessments levied and imposed pursuant to the Assessment Proceedings (as defined herein) as the same may be amended from time to time (the "2017 Pledged Revenues") and the Funds and Accounts (except for the 2017 Rebate Account and the 2017 Cost of Issuance Account) established under the Second Supplemental Indenture (the "2017 Pledged Funds"). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE UNIT NO. 3 REFUNDING BONDS."

The Unit No. 3 Refunding Bonds are subject to optional, mandatory sinking fund and extraordinary mandatory redemption prior to maturity. See "DESCRIPTION OF THE UNIT NO. 3 REFUNDING BONDS – Redemption Provisions" herein.

NEITHER THE UNIT NO. 3 REFUNDING BONDS NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF FLORIDA. THE UNIT NO. 3 REFUNDING BONDS AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN UPON ANY PROPERTY OF THE DISTRICT OTHER THAN AS PROVIDED IN THE INDENTURE. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER

AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE, OR THE UNIT NO. 3 REFUNDING BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE, OR THE UNIT NO. 3 REFUNDING BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE 2017 TRUST ESTATE PLEDGED TO THE UNIT NO. 3 REFUNDING BONDS, ALL AS PROVIDED IN THE UNIT NO. 3 REFUNDING BONDS AND IN THE INDENTURE.

The Unit No. 3 Refunding Bonds involve a degree of risk (see "BONDOWNERS' RISKS" herein) and are not suitable for all investors (see "SUITABILITY FOR INVESTMENT" herein). The Underwriter named below is limiting this offering to "accredited investors" within the meaning of Chapter 517, Florida Statutes, and the rules of the Florida Department of Financial Services promulgated thereunder. The limitation of the initial offering to accredited investors does not denote restrictions on transfer in any secondary market for the Unit No. 3 Refunding Bonds. The Unit No. 3 Refunding Bonds are not credit enhanced or rated and no application has been made for a rating with respect to the Unit No. 3 Refunding Bonds.

Simultaneously with the issuance of the Unit No. 3 Refunding Bonds, the District expects to issue its \$32,000,000* Special Assessment Revenue Refunding Bonds, Series 2017 (Unit of Development No. 1) (the "Unit No. 1 Refunding Bonds"), for the purpose of refunding the District's outstanding Special Assessment Bonds, Series 2006 (Unit of Development No. 1) (the "Original Unit No. 1 Bonds"). The issuance of the Unit No. 3 Refunding Bonds is not contingent on the issuance by the District of its Unit No. 1 Refunding Bonds.

This cover page contains information for quick reference only. It is not a summary of the Unit No. 3 Refunding Bonds. Investors must read the entire Limited Offering Memorandum to obtain information essential to the making of an informed investment decision.

MATURITY SCHEDULE

\$ _____	-	____%	Series 2017 Term Bond due _____	1, 20__	, Yield _____%	, Price _____	CUSIP # _____	**
\$ _____	-	____%	Series 2017 Term Bond due _____	1, 20__	, Yield _____%	, Price _____	CUSIP # _____	**
\$ _____	-	____%	Series 2017 Term Bond due _____	1, 20__	, Yield _____%	, Price _____	CUSIP # _____	**

The Unit No. 3 Refunding Bonds are offered for delivery when, as and if issued by the District and subject to the receipt of the approving legal opinion of Akerman LLP, Orlando, Florida, Bond Counsel. Certain legal matters will be passed upon for the District by its counsel, Hopping Green & Sams, P.A., Tallahassee, Florida, and for the Underwriter by its counsel, GrayRobinson, P.A., Tampa, Florida. It is expected that the Unit No. 3 Refunding Bonds will be delivered in book-entry form through the facilities of DTC on or about _____, 2017.

Dated: _____, 2017.

FMSbonds, Inc.

* Preliminary, subject to change.

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

WEST VILLAGES IMPROVEMENT DISTRICT

BOARD OF SUPERVISORS

Martin Black,* Chairperson
David Koon,* Vice-Chairperson
David Russo,* Assistant Secretary
Mac McCraw,* Assistant Secretary
Bob Rossman, Assistant Secretary

* Affiliated with a landowner

DISTRICT MANAGER/METHODOLOGY CONSULTANT

Special District Services, Inc.
Palm Beach Gardens, Florida

DISTRICT COUNSEL

Hopping Green & Sams, P.A.
Tallahassee, Florida

BOND COUNSEL

Akerman LLP
Orlando, Florida

DISTRICT ENGINEER

Stantec Consulting Services, Inc.
Sarasota, Florida

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE DISTRICT TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS LIMITED OFFERING MEMORANDUM, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE DISTRICT. THIS LIMITED OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY OF THE UNIT NO. 3 REFUNDING BONDS, AND THERE SHALL BE NO OFFER, SOLICITATION, OR SALE OF THE UNIT NO. 3 REFUNDING BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE INFORMATION SET FORTH HEREIN HAS BEEN OBTAINED FROM THE DISTRICT, PUBLIC DOCUMENTS, RECORDS AND OTHER SOURCES, WHICH SOURCES ARE BELIEVED TO BE RELIABLE BUT WHICH INFORMATION IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS BY, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION OF, THE UNDERWRITER NAMED ON THE COVER PAGE OF THIS LIMITED OFFERING MEMORANDUM. THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS LIMITED OFFERING MEMORANDUM IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN CONTAINED ARE SUBJECT TO CHANGE WITHOUT NOTICE AND NEITHER THE DELIVERY OF THIS LIMITED OFFERING MEMORANDUM, NOR ANY SALE MADE HEREUNDER, SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE DISTRICT OR IN THE STATUS OF THE DEVELOPMENT OF UNIT NO. 3 (AS SUCH TERMS ARE HEREINAFTER DEFINED) SINCE THE DATE HEREOF.

THE UNIT NO. 3 REFUNDING BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON CERTAIN EXEMPTIONS SET FORTH IN SUCH ACTS. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE UNIT NO. 3 REFUNDING BONDS IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF ANY JURISDICTIONS WHEREIN THESE SECURITIES HAVE BEEN OR WILL BE REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THE DISTRICT, THE CITY, THE COUNTY, THE STATE, NOR ANY OTHER POLITICAL SUBDIVISIONS THEREOF HAVE GUARANTEED OR PASSED UPON THE MERITS OF THE UNIT NO. 3 REFUNDING BONDS, UPON THE PROBABILITY OF ANY EARNINGS THEREON OR UPON THE ACCURACY OR ADEQUACY OF THIS LIMITED OFFERING MEMORANDUM.

"FORWARD-LOOKING STATEMENTS" ARE USED IN THIS DOCUMENT BY USING FORWARD LOOKING WORDS SUCH AS "MAY," "WILL," "SHOULD,"

"INTENDS," "EXPECTS," "BELIEVES," "ANTICIPATES," "ESTIMATES," OR OTHERS. THE READER IS CAUTIONED THAT FORWARD-LOOKING STATEMENTS ARE SUBJECT TO A VARIETY OF UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER FROM THE PROJECTED RESULTS. THOSE RISKS AND UNCERTAINTIES INCLUDE GENERAL ECONOMIC AND BUSINESS CONDITIONS, CONDITIONS IN THE FINANCIAL MARKETS AND REAL ESTATE MARKET, THE DISTRICT'S COLLECTION OF ASSESSMENTS, AND VARIOUS OTHER FACTORS WHICH MAY BE BEYOND THE DISTRICT'S CONTROL. BECAUSE THE DISTRICT CANNOT PREDICT ALL FACTORS THAT MAY AFFECT FUTURE DECISIONS, ACTIONS, EVENTS, OR FINANCIAL CIRCUMSTANCES, WHAT ACTUALLY HAPPENS MAY BE DIFFERENT FROM WHAT IS INCLUDED IN FORWARD-LOOKING STATEMENTS.

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

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

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LIMITED OFFERING MEMORANDUM

\$16,800,000*

**WEST VILLAGES IMPROVEMENT DISTRICT
(CITY OF NORTH PORT, FLORIDA)
SPECIAL ASSESSMENT REVENUE REFUNDING BONDS, SERIES 2017
(UNIT OF DEVELOPMENT NO. 3)**

INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page and appendices attached hereto, is to set forth certain information in connection with the offering for sale by the West Villages Improvement District (the "District") of its \$16,800,000* Special Assessment Revenue Refunding Bonds, Series 2017 (Unit of Development No. 3) (the "Unit No. 3 Refunding Bonds").

THE UNIT NO. 3 REFUNDING BONDS ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS. PURSUANT TO APPLICABLE STATE LAW, THE UNDERWRITER IS LIMITING THE INITIAL OFFERING OF THE UNIT NO. 3 REFUNDING BONDS TO ONLY ACCREDITED INVESTORS WITHIN THE MEANING OF THE RULES OF THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES. THE LIMITATION OF THE INITIAL OFFERING TO ACCREDITED INVESTORS DOES NOT DENOTE RESTRICTIONS ON TRANSFER IN ANY SECONDARY MARKET FOR THE UNIT NO. 3 REFUNDING BONDS. POTENTIAL INVESTORS ARE SOLELY RESPONSIBLE FOR EVALUATING THE MERITS AND RISKS OF AN INVESTMENT IN THE UNIT NO. 3 REFUNDING BONDS. SEE "BONDOWNERS' RISKS" AND "SUITABILITY FOR INVESTMENT" HEREIN.

The District, which is the issuer of the Unit No. 3 Refunding Bonds, is a local unit of special purpose government of the State of Florida (the "State"), organized and existing under the provisions of Chapter 2004-456, Laws of Florida, as amended by Chapters 2006-355, 2007-307 and 2008-284, Laws of Florida and other applicable provisions of State law (collectively, the "Act"). The District was created for the purpose of delivering certain community development services and facilities for the benefit of District Lands (as hereinafter defined), and has previously determined to undertake in one or more stages, the acquisition and/or construction of public improvements and community facilities as set forth in the Act for the special benefit of certain District Lands. The Act authorizes the District to issue bonds for the purposes of, among others, financing, funding, planning, establishing, acquiring, constructing or reconstructing, enlarging or extending, and equipping water management, water supply, sewer and wastewater management, bridges or culverts, public roads, street lights and other basic infrastructure projects within or without the boundaries of the District as provided in the Act.

The boundaries of the District include approximately 12,409 acres of land (the "District Lands") located within both the City of North Port (the "City") and unincorporated portions of Sarasota County (the "County"). Under the Act, the District is authorized to create separate "Units of Development" to facilitate the development of the District Lands. The portion of the District Lands that will be subject to the levy of the Unit No. 3 Refunding Assessments (as defined herein) is Unit of Development No. 3 ("Unit No. 3"). Unit No. 3, which contains approximately 1,068 gross acres, is being developed as a single-family residential community known as "Gran Paradiso" planned for 1,870 units. Unit No. 3 is located along the northern side of South Tamiami Trail (U.S. 41), south and west of North River Road

* Preliminary, subject to change.

and approximately six miles west of Interstate 75. Other developments within the District are known as the "IslandWalk," "Renaissance," "Oasis" and "Preserve." See "UNIT NO. 3" herein for more information.

Currently, Lennar Homes, LLC, a Florida limited liability company ("Lennar Homes") is the primary landowner, developer and homebuilder within Unit No. 3. As of June 20, 2017, of the 1,870 planned units in Unit No. 3, 770 units have been closed with homebuyers, approximately 550 lots have been developed and platted, and the remaining lots are in various stages of development. In calendar year 2015 and 2016, approximately 205 units and 259 units, respectively were closed with homebuyers. See "UNIT NO. 3 – Status Update on Unit No. 3" herein for more information.

The Unit No. 3 Refunding Bonds are being issued pursuant to the Act, Resolution Nos. 2005-38 and 2017-[REDACTED] adopted by the Board of Supervisors (the "Board") of the District on November 1, 2005 and June 29, 2017, respectively, and a Master Trust Indenture, dated as of April 1, 2006 (the "Master Indenture"), as supplemented by a Second Supplemental Trust Indenture dated as of July 1, 2017 (the "Second Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), each by and between the District and U.S. Bank National Association (the "Trustee"). All capitalized terms used in this Limited Offering Memorandum that are defined in the Indenture and not defined herein shall have the respective meanings set forth in the Indenture. See "APPENDIX B: COPY OF MASTER INDENTURE AND PROPOSED FORM OF SECOND SUPPLEMENTAL INDENTURE" hereto.

The Unit No. 3 Refunding Bonds are equally and ratably secured by the 2017 Trust Estate, without preference or priority of one Unit No. 3 Refunding Bond over another. The 2017 Trust Estate consists of all right, title and interest of the District in, to and under, subject to the terms of the Indenture, the revenues derived by the District from the Unit No. 3 Refunding Assessments levied and imposed pursuant to the Assessment Proceedings (as defined herein) as the same may be amended from time to time (the "2017 Pledged Revenues") and the Funds and Accounts (except for the 2017 Rebate Account and the 2017 Cost of Issuance Account) established under the Second Supplemental Indenture (the "2017 Pledged Funds"). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE UNIT NO. 3 REFUNDING BONDS."

The Unit No. 3 Refunding Assessments will be levied on the assessable lands within Unit No. 3, pursuant to the assessment roll attached to the Assessment Methodology (as defined herein). See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" and "APPENDIX E: ASSESSMENT METHODOLOGY."

Proceeds of the Unit No. 3 Refunding Bonds will be applied, together with other legally available District moneys, to: (i) currently refund the Refunded Bonds (as defined herein); (ii) finance the Cost of acquisition, construction, installation and equipping of the 2017 Project (as defined herein); (iii) finance the cost of acquisition, construction, installation and equipping of the 2006 Project (as defined herein); (iv) pay certain costs associated with the issuance of the Unit No. 3 Refunding Bonds; and (v) fund the 2017 Reserve Account as herein provided. See "ESTIMATED SOURCES AND USES OF UNIT NO. 3 REFUNDING BOND PROCEEDS."

There follows in this Limited Offering Memorandum a brief description of the District, the 2006 Project, the 2017 Project, Unit No. 3 and summaries of the terms of the Unit No. 3 Refunding Bonds, the Indenture and certain provisions of the Act. All references herein to the Indenture and the Act are qualified in their entirety by reference to such document and statute, and all references to the Unit No. 3 Refunding Bonds are qualified by reference to the form thereof and the information with respect thereto contained in the Indenture. A copy of the Master Indenture and the proposed form of the Second Supplemental Indenture appear as APPENDIX B hereto.

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

PLAN OF REFUNDING

The District intends to use certain proceeds of the Unit No. 3 Refunding Bonds, together with other legally available funds of the District, to currently refund and redeem the District's Special Assessment Bonds, Series 2006 (Unit of Development No. 3) (the "Original Unit No. 3 Bonds"). The Original Unit No. 3 Bonds are currently Outstanding in the principal amount of \$15,415,000 (the "Refunded Bonds"). The refunding of the Refunded Bonds will provide funds to acquire and construct public infrastructure and other public improvements permitted by the Act, as described in the Indenture (the "Plan of Improvements"). A more detailed description of the use of proceeds of the Unit No. 3 Refunding Bonds is included herein under "ESTIMATED SOURCES AND USES OF FUNDS."

On the date of delivery of the Unit No. 3 Refunding Bonds, the District will transfer to U.S. Bank National Association, as escrow agent (the "Escrow Agent"), pursuant to an Escrow Deposit Agreement dated the date of delivery of the Unit No. 3 Refunding Bonds (the "Escrow Agreement"), funds sufficient to redeem the Refunded Bonds in reliance on the verification report of Terminus Analytics, LLC, as described under "VERIFICATION OF MATHEMATICAL COMPUTATIONS" in this Limited Offering Memorandum. At such time, the Refunded Bonds will no longer be deemed Outstanding under the documents governing the issuance of the Refunded Bonds and the Owners of the Refunded Bonds shall be restricted exclusively to the funds so deposited with the Escrow Agent for any claims of whatsoever nature with respect to the Refunded Bonds. See "VERIFICATION OF MATHEMATICAL COMPUTATIONS" herein. The Refunded Bonds will be optionally redeemed on _____, 2017.

AMOUNTS DEPOSITED WITH THE ESCROW AGENT WILL NOT BE AVAILABLE TO PAY PRINCIPAL AND INTEREST ON THE UNIT NO. 3 REFUNDING BONDS.

DESCRIPTION OF THE UNIT NO. 3 REFUNDING BONDS

General Description

The Unit No. 3 Refunding Bonds are being issued as fully registered bonds without coupons in current interest form in denominations of \$5,000 or any integral multiples thereof (an "Authorized Denomination"). The Unit No. 3 Refunding Bonds will initially be sold only to "accredited investors" within the meaning of Chapter 517, Florida Statutes, as amended, and the rules promulgated thereunder by the Florida Department of Financial Services. The limitation of the initial offering to accredited investors does not denote restrictions on transfer in any secondary market for the Unit No. 3 Refunding Bonds.

Each Unit No. 3 Refunding Bond shall be dated the date of initial delivery. Each Unit No. 3 Refunding Bond shall also bear its date of authentication. Each Unit No. 3 Refunding Bond shall bear interest from the Interest Payment Date to which interest has been paid next preceding the date of its authentication, unless the date of its authentication: (i) is an Interest Payment Date to which interest on such Unit No. 3 Refunding Bond has been paid, in which event such Unit No. 3 Refunding Bond shall bear interest from its date of authentication; or (ii) is prior to the first Interest Payment Date for the Unit No. 3 Refunding Bonds, in which event such Unit No. 3 Refunding Bond shall bear interest from its date. Interest on the Unit No. 3 Refunding Bonds shall be due and payable on each May 1 and November 1, commencing November 1, 2017, and shall be computed on the basis of a 360-day year of twelve 30-day months.

The Unit No. 3 Refunding Bonds shall be initially issued in the form of a separate single certificated fully registered Unit No. 3 Refunding Bond for each maturity of Unit No. 3 Refunding Bonds. Upon initial issuance, the ownership of each such Unit No. 3 Refunding Bond shall be registered in the registration books kept by the Registrar in the name of Cede & Co., as Nominee of The Depository Trust Company, New York, New York ("DTC"), the initial Bond Depository. Except as provided in the Indenture, all of the Outstanding Unit No. 3 Refunding Bonds shall be registered in the registration books kept by the Registrar in the name of Cede & Co., as Nominee of DTC. See "- Book-Entry System" herein.

The Second Supplemental Indenture provides that, with respect to Unit No. 3 Refunding Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as Nominee of DTC, the District, the Trustee, the Registrar and the Paying Agent shall have no responsibility or obligation to any such Bond Participant or to any Beneficial Owner. Without limiting the immediately preceding sentence, the District, the Trustee, the Registrar and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Bond Participant with respect to any ownership interest in the Unit No. 3 Refunding Bonds, (ii) the delivery to any Bond Participant or any other person other than an Owner, as shown in the registration books kept by the Registrar, of any notice with respect to the Unit No. 3 Refunding Bonds, including any notice of redemption, or (iii) the payment to any Bond Participant or any other person, other than an Owner, as shown in the registration books kept by the Registrar, of any amount with respect to principal of, premium, if any, or interest on the Unit No. 3 Refunding Bonds. The District, the Trustee, the Registrar and the Paying Agent may treat and consider the person in whose name each Unit No. 3 Refunding Bond is registered in the registration books kept by the Registrar as the absolute owner of such Unit No. 3 Refunding Bond for the purpose of payment of principal, premium and interest with respect to such Unit No. 3 Refunding Bond, for the purpose of giving notices of redemption and other matters with respect to such Unit No. 3 Refunding Bond, for the purpose of registering transfers with respect to such Unit No. 3 Refunding Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium, if any, and interest on the Unit No. 3 Refunding Bonds only to or upon the order of the respective Owners, as shown in the registration books kept by the Registrar, or their respective attorneys duly authorized in writing, as provided herein and all such payment shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal of, premium, if any, and interest on the Unit No. 3 Refunding Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the registration books kept by the Registrar, shall receive a certificated Unit No. 3 Refunding Bond evidencing the obligation of the District to make payments of principal, premium, if any, and interest pursuant to the provisions of the Indenture. Upon delivery by DTC to the District of written notice to the effect that DTC has determined to substitute a new Nominee in place of Cede & Co., and subject to the provisions therein with respect to Record Dates, the words "Cede & Co." in the Indenture shall refer to such new Nominee of DTC; and upon receipt of such a notice the District shall promptly deliver a copy of the same to the Trustee, Registrar and the Paying Agent. See "- Book-Entry System" herein.

U.S. Bank National Association is the Trustee, Registrar and Paying Agent for the Unit No. 3 Refunding Bonds.

Redemption Provisions

Optional Redemption

The Unit No. 3 Refunding Bonds are subject to redemption at the option of the District prior to maturity, in whole or in part, on any date on or after _____ 1, 20__ at the Redemption Price of 100% of the principal amount to be redeemed plus accrued interest to the redemption date.

Mandatory Sinking Fund Redemption

The Unit No. 3 Refunding Bonds maturing _____ 1, 20__ are subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2017 Sinking Fund Account established under the Second Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, on _____ 1 of the years and in the principal amounts set forth below.

Year **Amortization Installment**

* Maturity

The Unit No. 3 Refunding Bonds maturing _____ 1, 20__ are subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2017 Sinking Fund Account established under the Second Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, on _____ 1 of the years and in the principal amounts set forth below.

Year **Amortization Installment**

* Maturity

The Unit No. 3 Refunding Bonds maturing _____ 1, 20__ are subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2017 Sinking Fund Account established under the Second Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, on _____ 1 of the years and in the principal amounts set forth below.

Year **Amortization Installment**

* Maturity

The Unit No. 3 Refunding Bonds maturing _____ 1, 20__ are subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2017 Sinking Fund Account established under the Second Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, on _____ 1 of the years and in the principal amounts set forth below.

Year **Amortization Installment**

* Maturity

Upon redemption or purchase of the Unit No. 3 Refunding Bonds (other than redemption in accordance with scheduled Amortization Installments), the District shall cause to be recalculated and delivered to the Trustee revised Amortization Installments recalculated so that debt service on the Unit No. 3 Refunding Bonds is amortized in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Unit No. 3 Refunding Bonds.

Extraordinary Mandatory Redemption

The Unit No. 3 Refunding Bonds are subject to extraordinary mandatory redemption prior to scheduled maturity, in whole on any date or in part on any Redemption Date (as defined herein), and if in part on a pro rata basis calculated by the District determined by the ratio of the Outstanding principal amount of each maturity of the Unit No. 3 Refunding Bonds, treating for such purposes each Amortization Installment as a maturity divided by the aggregate principal amount of Outstanding Unit No. 3 Refunding Bonds and as otherwise provided in the Indenture, at the Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to such redemption date, if and to the extent that any one or more of the following shall have occurred:

(i) On or after the Completion Date of the 2017 Project by application of moneys transferred from the 2017 Acquisition and Construction Account to the 2017 Prepayment Account in accordance with the terms of the Second Supplemental Indenture; or

(ii) On or after the Completion Date of the 2006 Project by application of moneys transferred from the 2006 Acquisition and Construction Account to the 2017 Prepayment Account in accordance with the terms of the Second Supplemental Indenture; or

(iii) Amounts are deposited into the 2017 Prepayment Account from the prepayment of Unit No. 3 Refunding Assessments and from amounts deposited into the 2017 Prepayment Subaccount from the 2017 Reserve Account; or

(iv) When the amount on deposit in the 2017 Reserve Account, together with other moneys available therefor, are sufficient to pay and redeem all the Unit No. 3 Refunding Bonds then Outstanding as provided in the Second Supplemental Indenture.

"Redemption Date" shall mean each February 1, May 1, August 1 and November 1.

Except as otherwise provided in the Indenture, if less than all of the Unit No. 3 Refunding Bonds subject to redemption shall be called for redemption, the particular such Unit No. 3 Refunding Bonds or portions of such Unit No. 3 Refunding Bonds to be redeemed shall be selected by lot by the Registrar as provided in the Indenture. Reference is hereby specifically made to "APPENDIX B: COPY OF MASTER INDENTURE AND PROPOSED FORM OF SECOND SUPPLEMENTAL INDENTURE" for additional details concerning the redemption of Unit No. 3 Refunding Bonds.

Notice of Redemption

Notice of each redemption of Unit No. 3 Refunding Bonds is required to be mailed by the Registrar, postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the redemption date to each Registered Owner of Unit No. 3 Refunding Bonds to be redeemed at the address of such Registered Owner recorded on the bond register maintained by the Registrar. On the date designated for redemption, notice having been given and money for the payment of the Redemption Price being held by the Paying Agent, all as provided in the Indenture, the Unit No. 3 Refunding Bonds or such portions thereof so called for redemption shall become and be due and payable at the Redemption Price provided for the redemption of such Unit No. 3 Refunding Bonds or such portions thereof on such date, interest on such Unit No. 3 Refunding Bonds or such portions thereof so called for redemption shall cease to accrue, such Unit No. 3 Refunding Bonds or such portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Indenture and the Owners thereof shall have no rights in respect of such Unit No. 3 Refunding Bonds or such portions thereof so called for redemption except to receive payments of the Redemption Price thereof so held by the Paying Agent.

If at the time of mailing the notice of an optional redemption, the District shall not have deposited with the Trustee or Paying Agent moneys sufficient to redeem or purchase all the Unit No. 3 Refunding Bonds called for redemption or purchase, such notice shall state that the redemption and is subject to the deposit of the redemption or purchase moneys with the Trustee or Paying Agent, as the case may be, not later than the opening of business on the redemption or purchase date, and such notice shall be of no effect unless such moneys are so deposited. Reference is hereby specifically made to "APPENDIX B: COPY OF MASTER INDENTURE AND PROPOSED FORM OF SECOND SUPPLEMENTAL INDENTURE" for additional details concerning notice of redemption of Unit No. 3 Refunding Bonds.

Purchase of Unit No. 3 Refunding Bonds

Any Unit No. 3 Refunding Bonds that are purchased by the District with amounts held to pay an Amortization Installment will be cancelled and the principal amount so purchased will be applied as a credit against the applicable Amortization Installment of Unit No. 3 Refunding Bonds.

Book-Entry System

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, and the District does not make any representation or warranty or take any responsibility for the accuracy or completeness of such information.

DTC will act as securities depository for the Unit No. 3 Refunding Bonds. The Unit No. 3 Refunding Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Unit No. 3 Refunding Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a S&P rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Unit No. 3 Refunding Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Unit No. 3 Refunding Bonds on DTC's records. The ownership interest of each actual purchaser of each Unit No. 3 Refunding Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Unit No. 3 Refunding Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Unit No. 3 Refunding Bonds, except in the event that use of the book-entry system for the Unit No. 3 Refunding Bonds is discontinued.

To facilitate subsequent transfers, all Unit No. 3 Refunding Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Unit No. 3 Refunding Bonds with DTC and their registration in the name of Cede & Co., or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Unit No. 3 Refunding Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Unit No. 3 Refunding Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Unit No. 3 Refunding Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Unit No. 3 Refunding Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Unit No. 3 Refunding Bonds may wish to ascertain that the nominee holding the Unit No. 3 Refunding Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Unit No. 3 Refunding Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such series or maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Unit No. 3 Refunding Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Unit No. 3 Refunding Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and interest payments on the Unit No. 3 Refunding Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Unit No. 3 Refunding Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, the Unit No. 3 Refunding Bonds are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, the Unit No. 3 Refunding Bonds will be printed and delivered to DTC.

SECURITY FOR AND SOURCE OF PAYMENT OF THE UNIT NO. 3 REFUNDING BONDS

General

NEITHER THE UNIT NO. 3 REFUNDING BONDS NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF FLORIDA. THE UNIT NO. 3 REFUNDING BONDS AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN UPON ANY PROPERTY OF THE DISTRICT OTHER THAN AS PROVIDED IN THE INDENTURE. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE, OR THE UNIT NO. 3 REFUNDING BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE, OR THE UNIT NO. 3 REFUNDING BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE 2017 TRUST ESTATE PLEDGED TO THE UNIT NO. 3 REFUNDING BONDS, ALL AS PROVIDED IN THE UNIT NO. 3 REFUNDING BONDS AND IN THE INDENTURE.

The Unit No. 3 Refunding Bonds are equally and ratably secured by the 2017 Trust Estate, without preference or priority of one Unit No. 3 Refunding Bond over another. The 2017 Trust Estate consists of all right, title and interest of the District in, to and under, subject to the terms of the Indenture, the revenues derived by the District from the Unit No. 3 Refunding Assessments levied and imposed pursuant to the Assessment Proceedings (as defined herein) as the same may be amended from time to time (the "2017 Pledged Revenues") and the Funds and Accounts (except for the 2017 Rebate Account and the 2017 Cost of Issuance Account) established under the Second Supplemental Indenture (the "2017 Pledged Funds").

The "Unit No. 3 Refunding Assessments" are the Special Assessments levied against properties within the District specifically benefitted by the 2006 Project and the 2017 Project, as described in the Assessment Proceedings (as defined herein). The Unit No. 3 Refunding Bonds are not secured by assessments on any other District Lands. "Special Assessments" shall mean (a) the net proceeds derived from the levy and collection of "special assessments," as provided for in Section 6(2) of the Act, against the Unit No. 3 lands that are subject to assessment as a result of a particular Project or any portion thereof, and (b) the net proceeds derived from the levy and collection of "non-ad valorem assessments," as provided for in Section 6(1) of the Act, against the Unit No. 3 lands that are subject to assessment as a result of a particular Project or any portion thereof, and in the case of both "special assessments" and "non-ad valorem assessments," including the interest and penalties on such assessments, pursuant to all applicable provisions of the Act, Chapter 170, Florida Statutes, Chapter 298, Florida Statutes, and Chapter 197, Florida Statutes (and any successor statutes thereto), including, without limitation, any amount received from any foreclosure proceeding for the enforcement of collection thereof payable to the Tax Collector and less certain administrative costs payable to the Property Appraiser pursuant to the Property Appraiser and Tax Collector Agreement. "Special Assessments" shall not include "maintenance assessments" levied and collected by the Issuer under Section 7 of the Act.

"Assessment Proceedings" shall mean the proceedings of the District with respect to the establishment, levy and collection of the Unit No. 3 Refunding Assessments, including the Assessment Resolution (as defined in the Indenture), the Assessment Methodology and any supplemental proceedings undertaken by the District with respect to the Unit No. 3 Refunding Assessments.

Non-ad valorem assessments are not based on millage and are not taxes, but can become a lien against the homestead as permitted in Section 4, Article X of the Florida State Constitution. The Unit No. 3 Refunding Assessments will constitute a lien against the land as to which the Unit No. 3 Refunding Assessments are imposed. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" herein.

Covenant to Levy the Unit No. 3 Refunding Assessments

The determination, order, levy and collection of Unit No. 3 Refunding Assessments must be undertaken in compliance with procedural requirements and guidelines provided by State law. Failure by the District to comply with such requirements could result in delay in the collection of, or the complete inability to collect, Unit No. 3 Refunding Assessments during any year. Such delays in the collection of, or complete inability to collect, Unit No. 3 Refunding Assessments would have a material adverse effect on the ability of the District to make full or punctual payment of the principal of, premium, if any, and interest on the Unit No. 3 Refunding Bonds. See "BONDOWNERS' RISKS" herein.

The District will covenant in the Indenture (i) to comply with the terms of the proceedings heretofore adopted with respect to the Unit No. 3 Refunding Assessments, including the Assessment Methodology, (ii) to levy Unit No. 3 Refunding Assessments and any required true-up payments set forth in the Assessment Methodology, in such manner as will generate funds sufficient to pay the principal of and interest on the Unit No. 3 Refunding Bonds when due and (iii) to not amend the Assessment Proceedings in any material manner without the written consent of the Majority Owners.

If any Unit No. 3 Refunding Assessment shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or if the District shall be satisfied that any such Unit No. 3 Refunding Assessment is so irregular or defective that the same cannot be enforced or collected, or if the District shall have omitted to make such Unit No. 3 Refunding Assessment when it might have done so, the District will additionally covenant to either (i) take all necessary steps to cause a new Unit No. 3 Refunding Assessment to be made for the whole or any part of such improvement or against any property benefited by such improvement, or (ii) in its sole discretion, make up the amount of such Unit No. 3 Refunding Assessment from legally available moneys, which moneys shall be deposited into the 2017 Revenue Account. In case any such subsequent Unit No. 3 Refunding Assessment shall also be annulled, the District shall obtain and make other Unit No. 3 Refunding Assessments until a valid Unit No. 3 Refunding Assessment shall be made.

Prepayment of Unit No. 3 Refunding Assessments

Pursuant to Chapter 170, Florida Statutes, an owner of property subject to the levy of Unit No. 3 Refunding Assessments may pay the entire balance of the Unit No. 3 Refunding Assessments remaining due, without interest, within thirty (30) days after the Plan of Improvements has been completed or acquired by the District, and the Board has adopted a resolution accepting the Plan of Improvements pursuant to Chapter 170.09, Florida Statutes.

Pursuant to the Assessment Proceedings, after the Plan of Improvements (as defined in the Assessment Proceedings) has been completed and the Board has adopted a resolution accepting it, any owner of land against which a Unit No. 3 Refunding Assessment has been levied may pay the principal balance of such Unit No. 3 Refunding Assessment, in whole or in part at any time, if there is also paid an

amount equal to the interest that would otherwise be due on such balance to the earlier of the next succeeding November 1 or May 1, which is at least forty-five (45) days after the date of payment.

The Unit No. 3 Refunding Bonds are subject to extraordinary redemption as indicated under "DESCRIPTION OF THE UNIT NO. 3 REFUNDING BONDS – Redemption Provisions – Extraordinary Mandatory Redemption" from optional prepayments of Unit No. 3 Refunding Assessments by property owners.

Limitation on Additional Debt

Other than Bonds issued to refund a portion of Outstanding Unit No. 3 Refunding Bonds, the District shall not, while any Unit No. 3 Refunding Bonds are outstanding, issue or incur any debt payable in whole or in part from the 2017 Trust Estate.

Notwithstanding the above paragraph to the contrary, certain debt assessments and operation and maintenance assessments have and will continue to be levied upon the same lands subject to the Unit No. 3 Refunding Assessments; however, such assessments will not be available to pay debt service on the Unit No. 3 Refunding Bonds. The Unit No. 3 Refunding Assessments and the operation and maintenance assessments will have coequal lien status on the lands within Unit No. 3. In addition, the lands in Unit No. 3 are subject to debt assessments levied in connection with the development of Unit No. 1 and Unit No. 2, which assessments also have coequal lien status on the lands within Unit No. 3. See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" herein and "THE DISTRICT – Outstanding Indebtedness and Previous and Existing Bond Defaults."

2017 Reserve Account

Pursuant to the Second Supplemental Indenture, there is established within the Debt Service Reserve Fund a 2017 Reserve Account, in which proceeds of the Unit No. 3 Refunding Bonds will be deposited in an amount equal to the initial 2017 Reserve Account Requirement. See "ESTIMATED SOURCES AND USES OF PROCEEDS" herein. The "2017 Reserve Account Requirement" shall mean _____.

Amounts on deposit in the 2017 Reserve Account except as provided elsewhere in the Indenture shall be used only for the purpose of making payments into the 2017 Interest Account and the 2017 Sinking Fund Account to pay the Unit No. 3 Refunding Bonds, without distinction as to Unit No. 3 Refunding Bonds and without privilege or priority of one Unit No. 3 Refunding Bond over another, when due when the moneys on deposit in such Accounts and available therefor are insufficient.

The Trustee, on or before the fiftieth (50th) day (or if such day is not a Business Day, on the Business Day next preceding such day) next preceding each Redemption Date, after taking into account all payments and transfers made as of such date, shall compute the value of the 2017 Reserve Account and shall promptly notify the District of the amount of any deficiency or surplus as of such date in such account. The District shall immediately pay the amount of any deficiency to the Trustee, for deposit in the 2017 Reserve Account, from the first legally available sources of the District. The Trustee, as soon as practicable after such computation, shall deposit any surplus (other than any surplus resulting from investment earnings which will be applied as provided below) in the 2017 Reserve Account to the 2017 Prepayment Account.

All earnings on investments in the 2017 Reserve Account shall be deposited to the 2017 Revenue Account provided no deficiency exists in the 2017 Reserve Account and if a deficiency does exist earnings shall remain on deposit in the 2017 Reserve Account until the deficiency is cured. Such Account shall consist only of cash and 2017 Investment Obligations.

Notwithstanding the foregoing, on the earliest date on which there is on deposit in the 2017 Reserve Account, sufficient monies, taking into account other monies available therefor, to pay and redeem all of the Outstanding Unit No. 3 Refunding Bonds, together with accrued interest on such Unit No. 3 Refunding Bonds to the earliest date of redemption, then the Trustee shall transfer to the 2017 Prepayment Account the amount on deposit in the 2017 Reserve Account to pay and redeem all of the Outstanding 2017 Bonds on the earliest such date.

The District may provide that the difference between the amounts on deposit in the 2017 Reserve Account and the 2017 Reserve Account Requirement shall be an amount covered by obtaining bond insurance or a surety bond issued by a municipal bond insurer, rated at the time of initial deposit to the 2017 Reserve Account in one of the two highest categories (at least AA by S&P or at least Aa by Moody's without reference to gradations) by one of such nationally recognized rating agencies (the "Reserve Account Credit Instrument"). At any time after the issuance of the Unit No. 3 Refunding Bonds, the District may withdraw any or all of the amount of money on deposit in the 2017 Reserve Account and substitute in its place a Reserve Account Credit Instrument as described above in the face amount of such withdrawal, and such withdrawn moneys shall, after payment of the premium for such Reserve Account Credit Instrument, be used for any lawful purpose of the District.

Acquisition and Construction Account

2006 Acquisition and Construction Account

Pursuant to the Second Supplemental Indenture, there is established within the Acquisition and Construction Fund held by the Trustee a 2006 Acquisition and Construction Account. Amounts on deposit in the 2006 Acquisition and Construction Account shall be applied to pay the Costs of the 2006 Project upon compliance with the requisition provisions set forth in the Indenture.

Any balance remaining in the 2006 Acquisition and Construction Account after the Completion Date of the 2006 Project and after retaining the amount, if any, of all remaining unpaid Costs of such portion of the 2006 Project set forth in the Engineers' Certificate establishing such Completion Date, shall be transferred to the 2017 Prepayment Account in the Bond Redemption Fund and applied to the extraordinary mandatory redemption of the Unit No. 3 Refunding Bonds in the manner prescribed in the Indenture.

2017 Acquisition and Construction Account

Pursuant to the Second Supplemental Indenture, there is established within the Acquisition and Construction Fund held by the Trustee a 2017 Acquisition and Construction Account. Amounts on deposit in the 2017 Acquisition and Construction Account shall be applied to pay the Costs of the 2017 Project upon compliance with the requisition provisions set forth in the Indenture.

Any balance remaining in the 2017 Acquisition and Construction Account after the Completion Date of the 2017 Project and after retaining the amount, if any, of all remaining unpaid Costs of such portion of the 2017 Project set forth in the Engineers' Certificate establishing such Completion Date, shall be transferred to the 2017 Prepayment Account in the Bond Redemption Fund and applied to the extraordinary mandatory redemption of the Unit No. 3 Refunding Bonds in the manner prescribed in the Second Supplemental Indenture.

Deposit and Application of the 2017 Pledged Revenues

Pursuant to the Second Supplemental Indenture, there is established within the Revenue Fund a 2017 Revenue Account into which the District shall deposit the revenues from the Unit No. 3 Refunding

Assessments including the interest thereon with the Trustee. Upon deposit of the revenues from the Unit No. 3 Refunding Assessments including the interest thereon with the Trustee, the District shall provide the Trustee a written accounting setting forth the amounts of such Unit No. 3 Refunding Assessments in the following categories which shall be deposited by the Trustee into the Funds and Accounts established hereunder as follows:

- (i) Assessment Interest which shall be deposited into the 2017 Interest Account;
- (ii) Assessment Principal, which shall be deposited into the 2017 Sinking Fund Account;
- (iii) Prepayment Principal which shall be deposited into the 2017 Prepayment Account;
- (iv) Delinquent Assessment Principal shall first be applied to restore the amount of any withdrawal, from the 2017 Reserve Account to pay the principal of Unit No. 3 Refunding Bonds to the extent that less than the 2017 Reserve Account Requirement is on deposit in the 2017 Reserve Account, and, the balance, if any, shall be deposited into the 2017 Sinking Fund Account;
- (v) Delinquent Assessment Interest shall first be applied to restore the amount of any withdrawal, from the 2017 Reserve Account to pay the interest of Unit No. 3 Refunding Bonds to the extent that less than the 2017 Reserve Account Requirement is on deposit in a 2017 Reserve Account, and, the balance, if any, shall be deposited into the 2017 Interest Account;
- (vi) The balance shall be deposited in the 2017 Revenue Account.

On each March 15, June 15, September 15 and December 15 (or if such March 15, June 15, September 15 or December 15 is not a Business Day, on the Business Day next preceding such day), the Trustee shall determine the amount on deposit in the 2017 Prepayment Account and, if the balance therein is greater than zero, shall transfer, but only after transferring sufficient amounts as directed by the District to make the transfers required below, from the 2017 Revenue Account for deposit into such Prepayment Account, an amount sufficient to increase the amount on deposit therein to the next integral multiple of \$5,000, and, shall thereupon give notice and cause the extraordinary mandatory redemption of Unit No. 3 Refunding Bonds on the next succeeding Redemption Date in the maximum aggregate principal amount for which moneys are then on deposit in such Prepayment Account in accordance with the provisions for extraordinary redemption of Unit No. 3 Refunding Bonds as set forth in the Indenture. All interest due in regard to such prepayments shall be paid from the 2017 Interest Account or, if insufficient amounts are on deposit in the 2017 Interest Account to pay such interest then from the 2017 Revenue Account.

On any date required by the Indenture, the District shall give the Trustee written direction, and the Trustee shall, transfer from the 2017 Revenue Account to the 2017 Rebate Account established for the Unit No. 3 Refunding Bonds in the Rebate Fund, the amount due and owing to the United States, which amount shall be paid, to the United States, when due, in accordance with such Arbitrage Certificate. To the extent insufficient moneys are on deposit in the 2017 Revenue Account to make the transfer provided for in the immediately preceding sentence the District shall deposit with the Trustee from available moneys of the District the amount of any such insufficiency.

Anything in the Indenture to the contrary notwithstanding, amounts on deposit in all of the Funds and Accounts held as security for the Unit No. 3 Refunding Bonds shall be invested only in 2017 Investment Obligations, and further, earnings on investments in the 2017 Acquisition and Construction Account and the 2017 Cost of Issuance Account shall be retained as realized, in such Account and used for the purpose of such Account. Earnings on investments in the 2017 Sinking Fund Account, the 2017

Interest Account and the Bond Redemption Fund shall be deposited, as realized, to the credit of the 2017 Revenue Account and used for the purpose of such Account. Earnings on investments in the 2017 Reserve Account shall be disposed of as set forth in "2017 Reserve Account" herein.

Events of Default and Certain Remedies upon an Event of Default

The Indenture provides that each of the following shall be an "Event of Default" under the Indenture, with respect to the Unit No. 3 Refunding Bonds:

(a) if payment of any installment of interest on any Unit No. 3 Refunding Bonds is not made when it becomes due and payable; or

(b) if payment of the principal or Redemption Price of any Unit No. 3 Refunding Bonds is not made when it becomes due and payable at maturity or upon call or presentation for redemption; or

(c) if the District, for any reason, is rendered incapable of, fulfilling its obligations under the Indenture or under the Act; or

(d) if the District proposes or makes an assignment for the benefit of creditors or enters into a composition agreement with all or a material part of its creditors, or a trustee, receiver, executor, conservator, liquidator, sequestrator or other judicial representative, similar or dissimilar, is appointed for the District or any of its assets or revenues, or there is commenced any proceeding in liquidation, bankruptcy, reorganization, arrangement of debts, debtor rehabilitation, creditor adjustment or insolvency, local, state or federal, by or against the District and if such is not vacated, dismissed or stayed on appeal within ninety (90) days; or

(e) if the District defaults in the due and punctual performance of any other covenant in the Indenture or in any Unit No. 3 Refunding Bonds and such default continues for sixty (60) days after written notice requiring the same to be remedied shall have been given to the District by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Majority Owners; provided, however, that if such performance requires work to be done, actions to be taken, or conditions to be remedied, which by their nature cannot reasonably be done, taken or remedied, as the case may be, within such sixty (60) day period, no Event of Default shall be deemed to have occurred or exist if, and so long as the District shall commence such performance within such sixty (60) day period and shall diligently and continuously prosecute the same to completion; or

(f) any portion of the Unit No. 3 Refunding Assessments pledged to the Unit No. 3 Refunding Bonds shall have become delinquent and, as the result thereof, the Indenture authorizes the Trustee to withdraw funds in an amount greater than twenty-five percent (25%) of the amount on deposit in 2017 Reserve Account to pay the Debt Service Requirements on the Unit No. 3 Refunding Bonds (regardless of whether the Trustee does or does not actually withdraw such funds from the 2017 Reserve Account to pay the Debt Service Requirements on the Unit No. 3 Refunding Bonds) (the foregoing being referred to as a "2017 Reserve Account Event") unless within sixty (60) days from the 2017 Reserve Account Event the District has either (i) replenished the amounts, if any, withdrawn from the 2017 Reserve Account or (ii) the portion of the Delinquent Special Assessments giving rise to the 2017 Reserve Account Event are paid and are no longer delinquent Special Assessments; or

(g) more than fifteen percent (15%) of the operation and maintenance special assessments that are directly billed by the District and levied by the District on tax parcels subject to the Unit No. 3 Refunding Assessments are not paid by the date such are due and payable and such default continues for sixty (60) days after the date when due.

The Trustee shall not be deemed to have notice of any default other than a payment default under the Indenture, unless notified in writing of such default by the Holders of at least a majority of the aggregate principal amount of the Outstanding Unit No. 3 Refunding Bonds.

The Unit No. 3 Refunding Bonds are not subject to acceleration. There shall be no optional redemption or extraordinary mandatory redemption of any Unit No. 3 Refunding Bonds with respect to which an Event of Default shall have occurred and be continuing unless all of the Unit No. 3 Refunding Bonds are to be redeemed or all of the Owners' of the Unit No. 3 Refunding Bonds consent to a partial redemption.

If any Event of Default with respect to the Unit No. 3 Refunding Bonds has occurred and is continuing, the Trustee, in its discretion may, and upon the written request of the Holders of not less than a majority of the aggregate principal amount of the Outstanding Unit No. 3 Refunding Bonds and receipt of indemnity to its satisfaction shall, in its own name:

- (a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Holders of the Unit No. 3 Refunding Bonds, including, without limitation, the right to require the District to carry out any agreements with, or for the benefit of, the Bondholders of the Unit No. 3 Refunding Bonds and to perform its or their duties under the Act;
- (b) bring suit upon the Unit No. 3 Refunding Bonds;
- (c) by action or suit in equity require the District to account as if it were the trustee of an express trust for the Holders of the Unit No. 3 Refunding Bonds;
- (d) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of the Unit No. 3 Refunding Bonds; and
- (e) by other proceeding in law or equity, exercise all rights and remedies provided for by any other document or instrument securing the Unit No. 3 Refunding Bonds.

The Holders of a majority in aggregate principal amount of the Outstanding Unit No. 3 Refunding Bonds then subject to remedial proceedings under the Indenture shall have the right to direct the method and place of conducting all remedial proceedings by the Trustee under the Indenture, provided that such directions shall not be otherwise than in accordance with law or the provisions of the Indenture.

The District will covenant and agree that upon the occurrence and continuance of an Event of Default with respect to the Unit No. 3 Refunding Bonds, it will take such actions to enforce the remedial provisions of the Indenture, the provisions for the collection of delinquent Unit No. 3 Refunding Assessments that are directly billed and collected by the District, as well as delinquent direct billed operation and maintenance assessments, and the provisions for the foreclosure of liens of delinquent assessments that are directly billed and collected by the District, as well as delinquent direct billed operation and maintenance assessments, all in a manner consistent with the Indenture. All Unit No. 3 Refunding Assessments that are billed and collected directly by the District shall be due and payable by the applicable landowner no later than thirty (30) days prior to each Interest Payment Date and shall become delinquent thereafter.

Foreclosure of Unit No. 3 Refunding Assessment Lien

The Second Supplemental Indenture provides that, notwithstanding any other provisions of the Indenture to the contrary, the following shall apply with respect to the Unit No. 3 Refunding Assessments and Unit No. 3 Refunding Bonds: If any property shall be offered for sale for the nonpayment of any

Unit No. 3 Refunding Assessments, and no person or persons shall purchase such property for an amount equal to the full amount due on the Unit No. 3 Refunding Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), the District, after receiving the written consent of the Trustee, acting at the direction of the Majority Owners of the Unit No. 3 Refunding Bonds Outstanding, specifying whether the District is to take title to the property in its corporate name or in the name of a special purpose entity, may purchase the property for an amount less than or equal to the balance due on the Unit No. 3 Refunding Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), from any legally available funds of the District and the District shall receive in its corporate name or in the name of a special-purpose entity title to the property for the benefit of the Owners of the Unit No. 3 Refunding Bonds. The District, either through its own actions, or actions caused to be taken by the District through the Trustee, shall have the power to and shall lease or sell such property, and deposit all of the net proceeds of any such lease or sale into the 2017 Revenue Account. The District, either through its own actions, or actions caused to be taken by the District through the Trustee, agrees that it shall, after being provided assurances satisfactory to it of payment of its fees, costs and expenses for doing so, be required to take the measures provided by law for listing for sale of property acquired by it as trustee for the Owners of the Unit No. 3 Refunding Bonds within sixty (60) days after the receipt of the request therefor signed by the Trustee, acting at the direction of the Majority Owners of the Unit No. 3 Refunding Bonds Outstanding. The District may pay costs associated with any actions taken by the District pursuant to this paragraph from any moneys legally available for such purpose held under the Indenture, provided such action does not adversely impact the tax-exempt status of the interest on the Unit No. 3 Refunding Bonds.

ENFORCEMENT OF ASSESSMENT COLLECTIONS

General

The primary source of payment for the Unit No. 3 Refunding Bonds is the Unit No. 3 Refunding Assessments imposed on certain lands in the District specially benefited by the District's 2006 Project and 2007 Project pursuant to the Assessment Proceedings. See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" herein and "APPENDIX E: ASSESSMENT METHODOLOGY."

The imposition, levy, and collection of Unit No. 3 Refunding Assessments must be done in compliance with the provisions of Florida law. Failure by the District, the Sarasota County Tax Collector (the "Tax Collector") or the Sarasota County Property Appraiser (the "Property Appraiser") to comply with such requirements could result in delay in the collection of, or the complete inability to collect, some or all of the Unit No. 3 Refunding Assessments during any year. Such delays in the collection of Unit No. 3 Refunding Assessments, or complete inability to collect the Unit No. 3 Refunding Assessments, would have a material adverse effect on the ability of the District to make full or punctual payment of the debt service requirements on the Unit No. 3 Refunding Bonds. To the extent that landowners fail to pay the Unit No. 3 Refunding Assessments, delay payments, or are unable to pay the same, the successful pursuance of collection procedures available to the District is essential to continued payment of principal of and interest on the Unit No. 3 Refunding Bonds. The Act provides for various methods of collection of delinquent Unit No. 3 Refunding Assessments by reference to other provisions of the Florida Statutes. See "BONDOWNERS' RISKS" herein. The following is a description of certain statutory provisions of assessment payment and collection procedures appearing in the Florida Statutes but is qualified in its entirety by reference to such statutes.

For the Unit No. 3 Refunding Assessments to be valid, the Unit No. 3 Refunding Assessments must meet two requirements: (1) the benefit from the 2006 Project and the 2017 Project to the lands subject to the Unit No. 3 Refunding Assessments must exceed or equal the amount of the Unit No. 3 Refunding Assessments, and (2) the Unit No. 3 Refunding Assessments must be fairly and reasonably

allocated across all such benefitted properties. The Methodology Consultant will certify at closing that these requirements have been met with respect to the Unit No. 3 Refunding Assessments.

Pursuant to the Act and the Assessment Proceedings, the District may collect the Unit No. 3 Refunding Assessments through a variety of methods. The following is a description of certain statutory provisions relating to each of these collection methods. Such description is not intended to be exhaustive and is qualified in its entirety by reference to such statutes. The following is a description of certain statutory provisions of assessment payment and collection procedures appearing in the Florida Statutes but is qualified in its entirety by reference to such statutes.

Direct Billing & Foreclosure Procedure

The following discussion regarding foreclosure is not applicable if the Unit No. 3 Refunding Assessments are being collected pursuant to the Uniform Method (defined below). Pursuant to the Act and Chapter 170 of the Florida Statutes, the District may directly levy, collect, and enforce the Unit No. 3 Refunding Assessments. In this context, Section 170.10 of the Florida Statutes provides that, upon the failure of any property owner to timely pay all or any part of the annual installment of principal and/or interest of a special assessment due, including the Unit No. 3 Refunding Assessments, the whole assessment, with the interest and penalties thereon, shall immediately become due and payable and subject to foreclosure. Generally stated, the governing body of the entity levying the special assessment, in this case the District, may foreclose by commencing a foreclosure proceeding in the same manner as the foreclosure of a real estate mortgage, or, alternatively, by commencing an action under Chapter 173, Florida Statutes, which relates to foreclosure of municipal tax and special assessment liens. Such proceedings are in rem, meaning that the action would be brought against the land, and not against the landowner. In light of the one-year tolling period required before the District may commence a foreclosure action under Chapter 173, Florida Statutes, it is likely the District would commence an action to foreclose in the same manner as the foreclosure of a real estate mortgage rather than proceeding under Chapter 173, Florida Statutes.

Enforcement of the obligation to pay Unit No. 3 Refunding Assessments and the ability to foreclose the lien of such Unit No. 3 Refunding Assessments upon the failure to pay such Unit No. 3 Refunding Assessments may not be readily available or may be limited because enforcement is dependent upon judicial action which is often subject to discretion and delay. Additionally, there is no guarantee that there will be demand for any foreclosed lands sufficient to repay the Unit No. 3 Refunding Assessments.

Certain mortgage lenders have, in recent foreclosure suits brought under Chapter 170, Florida Statutes, by community development districts (which, like the District, are local units of special purpose government), plead a defense stating that a foreclosing district must abide by the same one-year period as Chapter 173, Florida Statutes, in order to begin foreclosure proceedings. The defense is, apparently, based upon amendments to Section 190.026, Florida Statutes, where, in an apparent attempt to clarify that not only Chapter 173, Florida Statutes, was available to districts for foreclosure, but that also Chapter 170, Florida Statutes, was available, that statute's language became less clear regarding the inapplicability of the one-year waiting period for districts employing Chapter 170, Florida Statutes. To the extent that community development districts have taken a position on this, they have generally asserted that the one-year waiting period does not apply to Chapter 170, and at least one Circuit Court has agreed.

Uniform Method Procedure

Subject to certain conditions, and for developed lands (as described above), the District may alternatively elect to collect the Unit No. 3 Refunding Assessments using the Uniform Method. The Uniform Method of collection is available only in the event the District complies with statutory and

regulatory requirements and enters into agreements with the Tax Collector and Property Appraiser providing for the Unit No. 3 Refunding Assessments to be levied and then collected in this manner. The District's election to use a certain collection method with respect to the Unit No. 3 Refunding Assessments does not preclude it from electing to use another collection method in the future. Currently, approximately 45.83% of the Unit No. 3 Assessments are collected pursuant to the Uniform Method, with the remaining portion of Unit No. 3 Assessments being direct billed to landowners within Unit No. 3.

If the Uniform Method of collection is utilized, the Unit No. 3 Refunding Assessments will be collected together with County, school, special district, and other ad valorem taxes and non-ad valorem assessments (together, "Taxes and Assessments"), all of which will appear on the tax bill (also referred to as a "tax notice") issued to each landowner in the District. The statutes relating to enforcement of Taxes and Assessments provide that such Taxes and Assessments become due and payable on November 1 of the year when assessed, or as soon thereafter as the certified tax roll is received by the Tax Collector, and constitute a lien upon the land from January 1 of such year until paid or barred by operation of law. Such taxes and assessments – including the Unit No. 3 Refunding Assessments – are to be billed, and landowners in the District are required to pay, all Taxes and Assessments without preference in payment of any particular increment of the tax bill, such as the increment owing for the Unit No. 3 Refunding Assessments.

All Taxes and Assessments are payable at one time, except for partial payment schedules as may be provided by Florida law such as Sections 197.374 and 197.222, Florida Statutes. Partial payments made pursuant to Sections 197.374 and 197.222, Florida Statutes, are distributed in equal proportion to all taxing districts and levying authorities applicable to that account. If a taxpayer does not make complete payment of the total amount, he or she cannot designate specific line items on his or her tax bill as deemed paid in full. Therefore, in the event the Unit No. 3 Refunding Assessments are to be collected pursuant to the Uniform Method, any failure to pay any one line item, would cause the Unit No. 3 Refunding Assessments to not be collected to that extent, which could have a significant adverse effect on the ability of the District to make full or punctual payment of the debt service requirements on the Unit No. 3 Refunding Bonds.

Under the Uniform Method, if the Unit No. 3 Refunding Assessments are paid during November when due or during the following three months, the taxpayer is granted a variable discount equal to 4% in November and decreasing one percentage point per month to 1% in February. All unpaid Taxes and Assessments become delinquent on April 1 of the year following assessment.

The Tax Collector is required to collect the Taxes and Assessments on the tax bill prior to April 1 and, after that date, to institute statutory procedures upon delinquency to collect such Taxes and Assessments through the sale of "tax certificates," as discussed below. Delay in the mailing of tax notices to taxpayers may result in a delay throughout this process. Neither the District nor the Underwriter can give any assurance to the holders of the Unit No. 3 Refunding Bonds (1) that the past experience of the Tax Collector with regard to tax and special assessment delinquencies is applicable in any way to the Unit No. 3 Refunding Assessments, (2) that future landowners and taxpayers in the District will pay such Unit No. 3 Refunding Assessments, (3) that a market may exist in the future for tax certificates in the event of sale of such certificates for taxable units within the District, and (4) that the eventual sale of tax certificates for real property within the District, if any, will be for an amount sufficient to pay amounts due under the Assessment Proceedings to discharge the lien of the Unit No. 3 Refunding Assessments and all other liens that are coequal therewith.

Collection of delinquent Unit No. 3 Refunding Assessments under the Uniform Method is, in essence, based upon the sale by the Tax Collector of "tax certificates" and remittance of the proceeds of such sale to the District for payment of the Unit No. 3 Refunding Assessments due. Prior to the sale of tax certificates, the landowner may bring current the delinquent Taxes and Assessments and cancel the tax

certificate process by paying the total amount of delinquent Taxes and Assessments plus the cost of advertising and the applicable interest charge on the amount of such delinquent Taxes and Assessments. If the landowner does not act, the Tax Collector is required to attempt to sell tax certificates by public bid to the person who pays the delinquent Taxes and Assessments owing, penalties and interest thereon and certain costs, and who accepts the lowest interest rate per annum to be borne by the certificates (but not more than 18%).

If there are no bidders, the tax certificate is issued to the County. The County is to hold, but not pay for, the tax certificate with respect to the property, bearing interest at the maximum legal rate of interest, which is currently 18%. The Tax Collector does not collect any money if tax certificates are issued, or "struck off," to County. The County may sell such certificates to the public at any time after issuance, but before a tax deed application is made, at the face amount thereof plus interest at the rate of not more than 18% per annum, costs and a fee. Proceeds from the sale of tax certificates are required to be used to pay Taxes and Assessments (including the Unit No. 3 Refunding Assessments), interest, costs and charges on the real property described in the certificate.

Any tax certificate in the hands of a person other than the County may be redeemed and canceled, in whole or in part (under certain circumstances), at any time before a tax deed is issued (unless full payment for a tax deed is made to the clerk of court, including documentary stamps and recording fees), at a price equal to the face amount of the certificate or portion thereof together with all interest, costs, and charges due. Regardless of the interest rate actually borne by the certificates, persons redeeming tax certificates must pay a minimum interest rate of 5%, unless the rate borne by the certificates is zero percent. The proceeds of such a redemption are paid to the Tax Collector who transmits to the holder of the tax certificate such proceeds less service charges, and the certificate is canceled. Redemption of tax certificates held by the County is effected by purchase of such certificates from County, as described above.

Any holder, other than the County, of a tax certificate that has not been redeemed has seven years from the date of issuance of the tax certificate during which to act against the land that is the subject of the tax certificate. After an initial period ending two years from April 1 of the year of issuance of a certificate, during which period actions against the land are held in abeyance to allow for sales and redemptions of tax certificates, and before the expiration of seven years from the date of issuance, the holder of a certificate may apply for a tax deed to the subject land. The applicant is required to pay to the Tax Collector at the time of application all amounts required to redeem or purchase all other outstanding tax certificates covering the land, plus interest, any omitted taxes or delinquent taxes and interest, and current taxes, if due (as well as any costs of resale, if applicable). If the County holds a tax certificate on property valued at \$5,000 or more and has not succeeded in selling it, the County must apply for a tax deed two years after April 1 of the year of issuance of the certificate. The County pays costs and fees to the Tax Collector but not any amount to redeem any other outstanding certificates covering the land. Thereafter, the property is advertised for public sale.

In any such public sale conducted by the Clerk of the Circuit Court of the County, the private holder of the tax certificate who is seeking a tax deed for non-homestead property is deemed to submit a minimum bid equal to the amount required to redeem the tax certificate, charges for the cost of sale, including costs incurred for the service of notice required by statute, redemption of other tax certificates on the land, and the amount paid by such holder in applying for the tax deed, plus interest thereon. In the case of homestead property, the minimum bid is also deemed to include, in addition to the amount of money required for the minimum bid on non-homestead property, an amount equal to one-half of the latest assessed value of the homestead. If there are no higher bids, the holder receives title to the land, and the amounts paid for the certificate and in applying for a tax deed are credited toward the purchase price. If there are other bids, the holder may enter the bidding. The highest bidder is awarded title to the land. The portion of proceeds of such sale needed to redeem the tax certificate, and all other amounts paid by

such person in applying for a tax deed, are forwarded to the holder thereof or credited to such holder if such holder is the successful bidder. Excess proceeds are distributed first to satisfy governmental liens against the land and then to the former title holder of the property (less service charges), lienholder of record, mortgagees of record, vendees of recorded contracts for deeds, and other lienholders and any other person to whom the land was last assessed on the tax roll for the year in which the land was assessed, all as their interest may appear.

Except for certain governmental liens and certain restrictive covenants and restrictions, no right, interest, restriction or other covenant survives the issuance of a tax deed. Thus, for example, outstanding mortgages on property subject to a tax deed would be extinguished.

If there are no bidders at the public sale, the County may, at any time within ninety (90) days from the date of offering for public sale, purchase the land without further notice or advertising for a statutorily prescribed opening bid. After ninety (90) days have passed, any person or governmental unit may purchase the land by paying the amount of the opening bid. Ad valorem taxes and non-ad valorem assessments accruing after the date of public sale do not require repetition of the bidding process but are added to the minimum bid. Three years from the date that the property is listed on the lands available for public sale, unsold lands escheat to the County in which they are located and all tax certificates and liens against the property are canceled and a deed is executed vesting title in the governing board of such county.

There can be no guarantee that the Uniform Method will result in the payment of Unit No. 3 Refunding Assessments. For example, the demand for tax certificates is dependent upon various factors, which include the rate of interest that can be earned by ownership of such certificates and the underlying value of the land that is the subject of such certificates and which may be subject to sale at the demand of the certificate holder. Therefore, the underlying market value of the property within the District may affect the demand for certificates and the successful collection of the Unit No. 3 Refunding Assessments, which are the primary source of payment of the Unit No. 3 Refunding Bonds. Additionally, legal proceedings under Federal bankruptcy law brought by or against a landowner who has not yet paid his or her property taxes or assessments would likely result in a delay in the sale of tax certificates. See "BONDHOLDERS' RISKS."

BONDOWNERS' RISKS

There are certain risks inherent in an investment in bonds issued by a public authority or governmental body in the State and secured by special assessments. Certain of these risks are described in other sections of this Limited Offering Memorandum. Certain additional risks are associated with the Unit No. 3 Refunding Bonds offered hereby and are set forth below. Prospective investors in the Unit No. 3 Refunding Bonds should have such knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of an investment in the Unit No. 3 Refunding Bonds and have the ability to bear the economic risks of such prospective investment, including a complete loss of such investment. This section does not purport to summarize all risks that may be associated with purchasing or owning the Unit No. 3 Refunding Bonds, and prospective purchasers are advised to read this Limited Offering Memorandum in its entirety for a more complete description of investment considerations relating to the Unit No. 3 Refunding Bonds.

Concentration of Land Ownership

As of the date of delivery of the Unit No. 3 Refunding Bonds, Lennar Homes owns land subject to approximately [57%] of the Unit No. 3 Refunding Assessments that secure the Unit No. 3 Refunding Bonds. Payment of that portion of the Unit No. 3 Refunding Assessments is dependent upon their timely payment by Lennar Homes. Non-payment of the Unit No. 3 Refunding Assessments by Lennar Homes or

by any other landowners in Unit No. 3 would have a substantial adverse impact upon the District's ability to pay debt service on the Unit No. 3 Refunding Bonds. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE UNIT NO. 3 REFUNDING BONDS" herein.

Bankruptcy Risks

In the event of the institution of bankruptcy or similar proceedings with respect to any owner of benefited property within Unit No. 3, delays could occur in the payment of debt service on the Unit No. 3 Refunding Bonds, as such bankruptcy could negatively impact the ability of: (i) such landowner to pay the Unit No. 3 Refunding Assessments; (ii) the Tax Collector to sell tax certificates in relation to such property with respect to the Unit No. 3 Refunding Assessments being collected pursuant to the Uniform Method; and (iii) the District to foreclose the lien of the Unit No. 3 Refunding Assessments not being collected pursuant to the Uniform Method. In addition, the remedies available to the Owners of the Unit No. 3 Refunding Bonds under the Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, the remedies specified by federal, state and local law and in the Indenture and the Unit No. 3 Refunding Bonds, including, without limitation, enforcement of the obligation to pay Unit No. 3 Refunding Assessments and the ability of the District to foreclose the lien of the Unit No. 3 Refunding Assessments if not being collected pursuant to the Uniform Method, may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Unit No. 3 Refunding Bonds (including Bond Counsel's approving opinion) will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery. The inability, either partially or fully, to enforce remedies available with respect to the Unit No. 3 Refunding Bonds could have a material adverse impact on the interest of the Owners thereof.

A 2011 bankruptcy court decision in Florida held that the governing body of a community development district, and not the bondholders or indenture trustee, was the creditor of the landowners/debtors in bankruptcy with respect to claims for special assessments, and thus only the district could vote to approve or disapprove a reorganization plan submitted by the debtors in the case. The district voted in favor of the plan. The governing body of the district was at that time elected by the landowners rather than resident electors. Under the reorganization plan that was approved, a two-year moratorium was placed on the debtor landowners' payment of special assessments. As a result of this non-payment of assessments, debt service payments on the district's bonds were delayed for two years or longer.

Unit No. 3 Refunding Assessments Are Non-Recourse

The principal security for the payment of the principal and interest on the Unit No. 3 Refunding Bonds is the timely collection of the Unit No. 3 Refunding Assessments. The Unit No. 3 Refunding Assessments do not constitute a personal indebtedness of the landowners of the land subject thereto, but are secured by a lien on such land. There is no assurance that such landowners or subsequent landowners will be able to pay the Unit No. 3 Refunding Assessments or that they will pay such Unit No. 3 Refunding Assessments even though financially able to do so. No landowner is a guarantor of payment of any Unit No. 3 Refunding Assessment, and the recourse for the failure of any landowner to pay the Unit No. 3 Refunding Assessments is limited to the collection proceedings against the land as described herein. Therefore the likelihood of collection of the Unit No. 3 Refunding Assessments may ultimately depend on the market value of the land subject to taxation. While the ability of the landowners to pay Unit No. 3 Refunding Assessments is a relevant factor, the willingness of such landowners to pay the taxes, which may also be affected by the value of the land subject to taxation, is also an important factor in the collection of Unit No. 3 Refunding Assessments. The failure of landowners to pay the Unit No. 3 Refunding Assessments could render the District unable to collect delinquent Unit No. 3 Refunding

Assessments, if any, and provided such delinquencies are significant, could negatively impact the ability of the District to make the full or punctual payment of debt service on the Unit No. 3 Refunding Bonds.

Regulatory and Environmental Risks

The development of the District Lands is subject to comprehensive federal, state and local regulations and future changes to such regulations. Approval is required from various public agencies in connection with, among other things, the design, nature and extent of planned improvements, both public and private, and construction of the infrastructure in accordance with applicable zoning, land use and environmental regulations. The District Engineer has indicated that all permits and approvals necessary to construct the Plan of Improvements have been obtained or are expected to be obtained in the ordinary course; however, the District has no knowledge regarding the status of any other permits or approvals necessary to finish development and construct homes in Unit No. 3.

The value of the land within Unit No. 3, the success of the development of Unit No. 3 and the likelihood of timely payment of principal and interest on the Unit No. 3 Refunding Bonds could also be affected by environmental factors with respect to the land in Unit No. 3. Should the land be contaminated by hazardous materials, this could materially and adversely affect the value of the land in the District, which could materially and adversely affect the success of the development of the Unit No. 3 lands and the likelihood of the timely payment of the Unit No. 3 Refunding Bonds. The District has not performed, nor has the District requested that there be performed on its behalf, any independent assessment of the environmental conditions within the District. No assurance can be given that unknown hazardous materials, protected animals or vegetative species, etc., do not currently exist or may not develop in the future whether originating within Unit No. 3 or from surrounding property and what effect such may have on the development of Unit No. 3.

Economic Conditions

The successful development of Unit No. 3 and the sale of the residential units, once such homes are built within Unit No. 3, may be affected by unforeseen changes in general economic conditions, fluctuations in the real estate market and other factors beyond the control of the District. Moreover, the landowners of unplatted lands within Unit No. 3 have the right to modify or change their plan for development of Unit No. 3 from time to time, including, without limitation, land use changes, changes in the overall land and phasing plans, and changes to the type, mix, size and number of units to be developed.

Other Taxes and Assessments

The willingness and/or ability of an owner of benefited land to pay the Unit No. 3 Refunding Assessments could be affected by the existence of other taxes and assessments imposed upon such property by the District, the City, the County or any other local special purpose or general purpose governmental entities. County, City, school, special district taxes and special assessments, and voter-approved ad valorem taxes levied to pay principal of and interest on debt, including the Unit No. 3 Refunding Assessments, collected pursuant to the Uniform Method are payable at one time. Public entities whose boundaries overlap those of the District could, without the consent of the owners of the land within the District, impose additional taxes on the property within the District. The District anticipates continuing to impose operation and maintenance assessments encumbering the same property encumbered by the Unit No. 3 Refunding Assessments. In addition, lands within the District may also be subject to assessments by property and homeowner associations. See "UNIT NO. 3 – Taxes, Fees and Assessments" herein.

In addition, the lands within Unit No. 3 are part of other Units of Development established by the District, which also levy debt Assessments on the Unit No. 3 lands. Even though the levy of these Assessments impacts the same land as the Unit No. 3 Assessments, the Assessments represent separate liens of the District. Failure of landowners to pay any series of Assessments could negatively impact the District's ability to collect the Unit No. 3 Refunding Assessments. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" for more information about the District's ability to collect Unit No. 3 Refunding Assessments, "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS – Prior and Overlapping Assessments" for more information regarding the District's Unit No. 1 Assessments and Unit No. 2 Assessments and "THE DISTRICT – Outstanding Indebtedness and Previous and Existing Bond Defaults" for more information regarding ongoing defaults with respect to the Unit No. 2 Assessments.

Limited Secondary Market for Unit No. 3 Refunding Bonds

The Unit No. 3 Refunding Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Unit No. 3 Refunding Bonds in the event an Owner thereof determines to solicit purchasers of the Unit No. 3 Refunding Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Unit No. 3 Refunding Bonds may be sold. Such price may be lower than that paid by the current Owners of the Unit No. 3 Refunding Bonds, depending on the progress of development of Unit No. 3, existing real estate and financial market conditions and other factors. The Unit No. 3 Refunding Bonds are being sold pursuant to exemptions from registration under applicable securities laws, which may impact the secondary market for the Unit No. 3 Refunding Bonds.

Inadequacy of 2017 Reserve Account

Some of the risk factors discussed herein, which, if materialized, would result in a delay in the collection of the Unit No. 3 Refunding Assessments, may not adversely affect the timely payment of debt service on the Unit No. 3 Refunding Bonds because of the 2017 Reserve Account. The ability of the 2017 Reserve Account to fund deficiencies caused by delinquent Unit No. 3 Refunding Assessments is dependent on the amount, duration and frequency of such deficiencies. Moneys on deposit in the 2017 Reserve Account may be invested in certain obligations permitted under the Indenture. Fluctuations in interest rates and other market factors could affect the amount of moneys in the 2017 Reserve Account to make up deficiencies. If the District has difficulty in collecting the Unit No. 3 Refunding Assessments, the 2017 Reserve Account could be rapidly depleted and the ability of the District to pay debt service could be materially adversely affected. In addition, during an Event of Default under the Indenture, the Trustee may withdraw moneys from the 2017 Reserve Account and such other Funds, Accounts and subaccounts created under the Indenture to pay its extraordinary fees and expenses incurred in connection with such Event of Default. If in fact the 2017 Reserve Account is accessed for any purpose, the District does not have a designated revenue source for replenishing such account. Moreover, the District may not be permitted to re-assess real property then burdened by the Unit No. 3 Refunding Assessments in order to provide for the replenishment of the 2017 Reserve Account. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE UNIT NO. 3 REFUNDING BONDS – 2017 Reserve Account" herein for more information.

Legal Delays

If the District should commence a foreclosure action against a landowner for nonpayment of Unit No. 3 Refunding Assessments, such landowners and/or their mortgagees may raise affirmative defenses to such foreclosure action. Although the District expects that such affirmative defenses would likely be proven to be without merit, they could result in delays in completing the foreclosure action. In addition, the District is required under the Indenture to fund the costs of such foreclosure. It is possible that the

District will not have sufficient funds and will be compelled to request the Unit No. 3 Refunding Bondholders to allow funds on deposit under the Indenture to be used to pay the costs of the foreclosure action. Under the Code, there are limitations on the amounts of Unit No. 3 Refunding Bond proceeds that can be used for such purpose.

IRS Examination and Audit Risk

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

On February 23, 2016, the IRS published proposed regulations designed to provide prospective guidance with respect to potential private business control of issuers by providing a new definition of political subdivision for purposes of determining whether an entity is an appropriate issuer of bonds the interest on which is excluded from gross income for federal tax purposes. The proposed regulations require that a political subdivision (i) have the power to exercise at least one sovereign power, (ii) be formed and operated for a governmental purpose, and (iii) have a governing body controlled by or have significant uses of its funds or assets otherwise controlled by a government unit with all three sovereign powers or by an electorate that is not controlled by an unreasonably small number of unrelated electors. On March 9, 2016, the IRS released corrections to the transition rules in the proposed regulations providing that the new definition of political subdivision will not apply to bonds issued prior to the general applicability date, which is a date ninety (90) days after the proposed regulations are published in final form in the Federal Register. Accordingly, the proposed regulations, if finalized in their current form, would not be applicable to the Unit No. 3 Refunded Bonds, but may impact future series of bonds planned for the District.

It has been reported that the IRS has closed audits of community development districts (which, like the District, are local units of special-purpose government) in Florida with no change to such districts' bonds' tax-exempt status, but has advised such districts that such districts must have public electors within five years of the issuance of tax-exempt bonds or their bonds may be determined to be taxable retroactive to the date of issuance. Pursuant to the Act, general elections for each Board of Supervisors seat commence upon the occurrence of a specific number of persons owning real property within the portions of the City and the County located within the District as more particularly discussed in "THE DISTRICT – Board of Supervisors" herein. The District, unlike Village Center CDD, was formed with the intent that it will contain a sufficient number of residents to allow for a transition to control by a general electorate. Currently, one of the five members of the Board has been elected by registered voters within the District, and four have been elected by landowners. See "THE DISTRICT – Board of Supervisors" herein for additional information regarding the composition of the District's Board under the Act. There can be no assurance that an audit by the IRS of the Unit No. 3 Refunding Bonds will not be commenced. The District has no reason to believe that any such audit will be commenced, or that any such audit, if commenced, would result in a conclusion of noncompliance with any applicable state or federal law.

Owners of the Unit No. 3 Refunding Bonds are advised that, if the IRS does audit the Unit No. 3 Refunding Bonds, under its current procedures, at least during the early stages of an audit, the IRS will treat the District as the taxpayer, and the Owners of the Unit No. 3 Refunding Bonds may have limited rights to participate in those proceedings. The commencement of such an audit could adversely affect the market value and liquidity of the Unit No. 3 Refunding Bonds until the audit is concluded, regardless of the ultimate outcome. In addition, in the event of an adverse determination by the IRS with respect to the tax-exempt status of interest on the Unit No. 3 Refunding Bonds, it is unlikely the District will have available revenues to enable it to contest such determination or enter into a voluntary financial settlement with the IRS. Further, an adverse determination by the IRS with respect to the tax-exempt status of interest on the Unit No. 3 Refunding Bonds would adversely affect the availability of any secondary market for the Unit No. 3 Refunding Bonds. Should interest on the Unit No. 3 Refunding Bonds become includable in gross income for federal income tax purposes, not only will Owners of Unit No. 3 Refunding Bonds be required to pay income taxes on the interest received on such Unit No. 3 Refunding Bonds and related penalties, but because the interest rate on such Unit No. 3 Refunding Bonds will not be adequate to compensate Owners of the Unit No. 3 Refunding Bonds for the income taxes due on such interest, the value of the Unit No. 3 Refunding Bonds may decline.

THE INDENTURE DOES NOT PROVIDE FOR ANY ADJUSTMENT IN THE INTEREST RATE ON THE UNIT NO. 3 REFUNDING BONDS IN THE EVENT OF AN ADVERSE DETERMINATION BY THE IRS WITH RESPECT TO THE TAX-EXEMPT STATUS OF INTEREST ON THE UNIT NO. 3 REFUNDING BONDS. PROSPECTIVE PURCHASERS OF THE UNIT NO. 3 REFUNDING BONDS SHOULD EVALUATE WHETHER THEY CAN OWN THE UNIT NO. 3 REFUNDING BONDS IN THE EVENT THAT THE INTEREST ON THE UNIT NO. 3 REFUNDING BONDS BECOMES TAXABLE AND/OR THE DISTRICT IS EVER DETERMINED TO NOT BE A POLITICAL SUBDIVISION FOR PURPOSES OF THE CODE AND/OR SECURITIES ACT (AS HEREINAFTER DEFINED).

Loss of Exemption from Securities Registration

Since the Unit No. 3 Refunding Bonds have not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws, if the District is ever deemed by the IRS, judicially or otherwise, not to be a political subdivision for purposes of the Code, it is possible that federal or state regulatory authorities could also determine that the District is not a political subdivision for purposes of the federal and state securities laws. Accordingly, the District and purchasers of Unit No. 3 Refunding Bonds may not be able to rely on the exemption from registration under the Securities Act relating to securities issued by political subdivisions. In that event, the Owners

of the Unit No. 3 Refunding Bonds would need to ensure that subsequent transfers of the Unit No. 3 Refunding Bonds are made pursuant to a transaction that is not subject to the registration requirements of the Securities Act.

Federal Tax Reform

Various proposals are mentioned from time to time by members of the Congress of the United States of America and others concerning reform of the internal revenue (tax) laws of the United States. In addition, the Service may, in the future, issue rulings that have the effect of changing the interpretation of existing tax laws. Certain of these proposals and interpretations, if implemented or upheld, could have the effect of diminishing the value of obligations of states and their political subdivisions, such as the Unit No. 3 Refunding Bonds, by eliminating or changing the tax-exempt status of interest on certain of such bonds. Whether any of such proposals will ultimately become or be upheld as law, and if so, the effect such proposals could have upon the value of bonds such as the Unit No. 3 Refunding Bonds, cannot be predicted. However, it is possible that any such law or interpretation could have a material and adverse effect upon the availability of a liquid secondary market and/or the value of the Unit No. 3 Refunding Bonds. See also "TAX MATTERS."

State Tax Reform

It is impossible to predict what new proposals may be presented regarding ad valorem tax reform and/or special districts during upcoming legislative sessions, whether such new proposals or any previous proposals regarding the same will be adopted by the Florida Senate and House of Representatives and signed by the Governor, and, if adopted, the form thereof. On October 31, 2014, the Auditor General of the State released a 31-page report which requests legislative action to establish parameters on the amount of bonds a community development district may issue and provide additional oversight for community development district bonds. This report renews requests made by the Auditor General in 2011 that led to the Governor of the State issuing an Executive Order on January 11, 2012 (the "Executive Order") directing the Office of Policy and Budget in the Executive Office of the Governor ("OPB") to examine the role of special districts in the State. As of the date hereof, the OPB has not made any recommendations pursuant to the Executive Order nor has the Florida legislature passed any related legislation. The District cannot predict whether any such recommendations or legislation, if made or enacted, would impact special districts such as the District, nor can the District predict with certainty the impact that any existing or future legislation will or may have on the security for the Unit No. 3 Refunding Bonds. It should be noted that Article I, Section 10 of the Florida Constitution provides, in pertinent part, that the State may not enact any legislation impairing the obligation of contracts. Accordingly, the State may not enact any legislation that impacts the District's ability to fulfill the terms of the Indenture or that would impair the rights or remedies of the holders of the Unit No. 3 Refunding Bonds.

Insufficient Resources or Other Factors Causing Failure to Complete the Plan of Improvements or the Construction of Homes in Unit No. 3

The District does not and will not after the issuance of the Unit No. 3 Refunding Bonds have sufficient moneys on hand to complete the Plan of Infrastructure for Unit No. 3. There can be no assurance that the District will be able to raise through the issuance of bonds, or otherwise, the moneys necessary to complete the Plan of Infrastructure. The Indenture sets forth certain limitations on the issuance of additional debt in Unit No. 3. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE UNIT NO. 3 REFUNDING BONDS – Additional Bonds" for more information.

The cost to finish the Plan of Infrastructure will substantially exceed the net proceeds from the Unit No. 3 Refunding Bonds deposited into the 2006 Acquisition and Construction Account and the 2017

Acquisition and Construction Account. See "THE PLAN OF IMPROVEMENTS" and "ESTIMATED SOURCES AND USES OF UNIT NO. 3 REFUNDING BOND PROCEEDS" herein for more information. No landowner will enter into a completion agreement at closing on the Unit No. 3 Refunding Bonds to complete either the 2006 Project or the 2017 Project, nor is any existing landowner in Unit No. 3 obligated under any previously agreements to complete the Plan of Infrastructure or any other development in Unit No. 3. In addition, there can be no assurance that Lennar Homes or any other landowners or homebuilders will construct homes on the remaining lands in Unit No. 3. See "UNIT NO. 3 – Status Update on Unit No. 3" herein for more information.

Payment of Unit No. 3 Refunding Assessments after Bank Foreclosure

In the event a bank forecloses on property that is subject to the Unit No. 3 Refunding Assessments because of a default on the mortgage and then the bank itself fails and the Federal Deposit Insurance Corporation (the "FDIC") becomes its receiver, the FDIC will then become the fee owner of such property. In such event, the FDIC will not, pursuant to its own rules and regulations, likely be liable to pay the Unit No. 3 Refunding Assessments. In addition, the District would require the consent of the FDIC prior to commencing a foreclosure action.

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ESTIMATED SOURCES AND USES OF UNIT NO. 3 REFUNDING BOND PROCEEDS

Source of Funds

Aggregate Principal Amount of Unit No. 3 Refunding Bonds	\$ _____
[Less: Original Issue Discount]	_____
Other Legally Available District Moneys ⁽¹⁾	_____
 Total Sources	 \$ _____

Use of Funds

Deposit with the Escrow Agent to Refund the Refunded Bonds	\$ _____
Deposit to 2006 Acquisition and Construction Account	_____
Deposit to 2017 Acquisition and Construction Account	_____
Deposit to 2017 Reserve Account	_____
Costs of Issuance, including Underwriter's Discount ⁽²⁾	_____
 Total Uses	 \$ _____

-
- (1) Includes amounts previously held in the Funds and Accounts established with respect to Refunded Bonds.
- (2) Costs of issuance includes, without limitation, legal fees and other costs associated with the issuance of the Unit No. 3 Refunding Bonds.

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DEBT SERVICE REQUIREMENTS

The following table sets forth the scheduled debt service on the Unit No. 3 Refunding Bonds:

<u>Period Ending</u> <u>November 1</u>	<u>Principal</u> <u>(Amortization)</u>	<u>Interest</u>	<u>Total Debt Service</u>
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TOTALS

* The final maturity of the Unit No. 3 Refunding Bonds.

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THE DISTRICT

General Information

The District, which is the issuer of the Unit No. 3 Refunding Bonds, is a local unit of special purpose government of the State, organized and existing under the provisions of Chapter 2004-456, Laws of Florida, as amended by Chapters 2006-355, 2007-307 and 2008-284, Laws of Florida and other applicable provisions of State law (collectively, the "Act"). The District encompasses approximately 12,409 acres of land and is located in the City of North Port and in an unincorporated portion of Sarasota County. The District is located south and west of North River Road, along South Tamiami Trail (U.S. 41), approximately six miles west of Interstate 75.

Legal Powers and Authority

The District is an independent unit of local government created pursuant to, and established in accordance with, the Act. The Act was enacted in 2004 for the planning, construction, maintenance, operation, financing and improving of the systems, facilities and services necessary to meet the infrastructure needs of the District. The Act provides legal authority for the District to issue bonds pursuant to its general powers. The District is classified as an independent special district under Chapter 189, Florida Statutes.

The Act gives the District's Board of Supervisors the authority to, among other things: (a) finance, plan (consistent with applicable City and County comprehensive plans and implementing ordinances, studies and plans and in accordance with the Act), design, acquire, construct, install, operate, equip, upgrade, replace, extend, renovate, and maintain: (i) works or elements for modern comprehensive water management, drainage, environmental, mitigation, preservation, erosion, quality and control purposes, (ii) irrigation works, machinery, plants and appurtenances, (iii) roadways, and to include, either as a component of such roads or independently by themselves, parkways, bridges, landscaping, irrigation, bicycle and jogging paths, street lighting, entry features, traffic signals, road striping, and all other customary elements or appurtenances of a modern road system, (iv) entry features, garages, parking facilities, district offices, buildings, facilities and structures, (v) improvements, works, landscaping, systems, structures, buildings and facilities for community or public purposes, uplands, wetlands, playgrounds, parks, gymnasiums, stadiums, ballfields, greenways, waterways and facilities for indoor and outdoor recreational, sport, cultural and educational uses, (vi) water plants and systems, (vii) sewer systems, (viii) measures to control mosquitoes or other insects and arthropods of public health importance, (ix) lands, works, systems, landscaping, and facilities for preservation areas for preservation areas, conservation areas, environmental areas, mitigation areas and wildlife habitat or sanctuary, and (x) systems and facilities for school buildings and related structures which may be donated to a public school district; (b) to levy non-ad valorem assessments; (c) to borrow money and issue negotiable or other bonds of the District as provided in the Act and to pledge or hypothecate non-ad valorem assessments, levies and revenues to secure such bonds, notes or obligations, all in accordance with the Act.

The Act does not empower the District to adopt and enforce any comprehensive plans, building codes, zoning codes or land development codes, and the Act does not empower the District to grant building permits; these functions are to be performed by the general purpose local governments having jurisdiction over the lands within the District, and the Act further requires the District to coordinate its activities with such units of general purpose government in which it is located.

All property owned by the District is exempt from levy and sale by virtue of any execution and from judgment liens, but the foregoing does not limit the right of any bondowners to pursue any remedy for enforcement of any lien or pledge given by the District in connection with its bonds, including the Unit No. 3 Refunding Bonds.

Board of Supervisors

The governing body of the District is its Board of Supervisors (the "Board"), which is composed of five Supervisors (the "Supervisors"). The Act provides that, at the initial meeting of the landowners, Supervisors must be elected by the landowners, with the landowners voting first for two supervisors who are to hold office for an initial term of four years, next for a supervisor who is to hold office for an initial term of three years, next for a supervisor who is to hold office for an initial term of two years, and next for a supervisor who is to hold office for an initial term of one year. Thereafter, each year during the month of June, beginning with June of the second year following the first election, a Supervisor shall be elected by the landowners of the District to take the place of the retiring Supervisor and shall hold office for a term of four years. At all such meetings, each landowner shall be entitled to one vote in person or by written proxy for every acre, or any fraction thereof, of land owned by such landowner in the District. All Supervisors of the District must be citizens of the United States. If, on or before January 1 of any calendar year, there are 6,000 owners of real property in that portion of the District located within the City who are registered voters in the City, then at least one Supervisor elected at the next regularly scheduled election shall be a resident of and owner of real property in that portion of the District located within the City. If, on or before January 1 of any calendar year, there are 3,000 owners of real property in that portion of the District located within the unincorporated area of the County who are registered voters of the County, then at least one Supervisor elected at the next regularly scheduled election shall be a resident of and owner of real property in that portion of the District located within the unincorporated County. The eligible person receiving the highest number of votes for a Supervisor position shall be declared and elected as such Supervisor. In case of a vacancy in the office of any Supervisor, the remaining Supervisors shall, within ninety (90) calendar days from the occurrence of such vacancy, fill such vacancy until the expiration of that seat's outstanding term when a successor shall be elected by the landowners.

Section 112.3143(3)(b), Florida Statutes, provides that it shall not be an impermissible conflict of interest under Florida law governing public officials for a supervisor to be a stockholder, officer or employee of a landowner or of any entity affiliated with a landowner. Currently, one of the five members of the Board has been elected by registered voters within the District, and four have been elected by landowners.

The current members of the Board and the expiration of the term of each member are set forth below.

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Martin Black*	Chairperson	June 2021
David Koon*	Vice-Chairperson	June 2020
David Russo*	Assistant Secretary	June 2021
Mac McCraw*	Assistant Secretary	June 2019
Bob Rossman	Assistant Secretary	June 2018

* Affiliated with a landowner; not elected by registered voters within the District.

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

The District Manager and Other Consultants

The chief administrative official of the District is the District Manager (as hereinafter defined), who has charge and supervision of the works of the District and is responsible for preserving and maintaining any improvement or facility constructed or erected pursuant to the provisions of the Act, for maintaining and operating the equipment owned by the District, and for performing such other duties as may be prescribed by the Board.

The District has retained Special District Services, Inc., a Florida corporation, to serve as its district manager ("District Manager"). The District Manager's office is located at 2501A Burns Road, Palm Beach Gardens, Florida 33410, telephone number (561) 630-4922.

The Act further authorizes the Board to hire such employees and agents as it deems necessary. Thus, the District has employed the services of Akerman LLP, Orlando, Florida, as Bond Counsel; Stantec Consulting Services, Inc., Sarasota, Florida, as District Engineer; and Hopping Green & Sams, P.A., Tallahassee, Florida, as District Counsel. The Board has also retained the District Manager to serve as Methodology Consultant and Dissemination Agent for the Unit No. 3 Refunding Bonds.

Outstanding Indebtedness and Previous and Existing Bond Defaults

Unit No. 1

The District issued its \$34,895,000 Special Assessment Bonds, Series 2007 (Unit of Development No. 1) (the "Original Unit No. 1 Bonds") to finance a portion of the public improvements within Unit of Development No. 1 ("Unit No. 1") within the District. The Original Unit No. 1 Bonds are secured by the Original Unit No. 1 Assessments levied on the lands within Unit No. 1. The lands subject to the Unit No. 3 Refunding Assessments securing the Unit No. 3 Refunding Bonds are entirely within Unit No. 1 and are therefore subject to the Original Unit No. 1 Assessments. As of the date hereof, the Original Unit No. 1 Bonds are outstanding in the aggregate principal amount of \$29,575,000. The Original Unit No. 1 Bonds are current.

Simultaneously with the issuance of the Unit No. 3 Refunding Bonds, the District expects to issue its \$32,000,000[†] Special Assessment Revenue Refunding Bonds, Series 2017 (Unit of Development No. 1) (the "Unit No. 1 Refunding Bonds"), for the purpose of refunding the Original Unit No. 1 Bonds.[‡] Upon issuance of the Unit No. 1 Refunding Bonds, the District will levy revised Assessments (the "Unit No. 1 Refunding Assessments") on the lands in Unit No. 1 (which include all of the lands in Unit No. 3). While the Unit No. 1 Refunding Assessments will increase the par amount of debt associated with Unit No. 1, annual debt assessment levels associated with the Unit No. 1 Refunding Bonds will not change. See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS – Prior and Overlapping Assessments" for more information regarding the Assessments levied on Unit No. 1.

Unit No. 2

The District issued its \$38,005,000 Special Assessment Bonds, Series 2005 (Unit of Development No. 2) (the "Unit No. 2 Bonds") to finance a portion of the public improvements within Unit of Development No. 2 ("Unit No. 2") within the District. The Unit No. 2 Bonds are secured by the Unit No. 2 Assessments, which are levied on the approximately 2,095 acres within Unit No. 2. The lands subject to

[†] Preliminary, subject to change.

[‡] The issuance of the Unit No. 1 Refunding Bonds is not contingent on the issuance by the District of its Unit No. 3 Refunding Bonds.

the Unit No. 3 Refunding Assessments securing the Unit No. 3 Refunding Bonds are entirely within Unit No. 2 and are therefore subject to the Unit No. 2 Assessments. As of the date hereof, the Unit No. 2 Bonds are outstanding in the aggregate principal amount of \$32,965,000.

There is an approximately 105.93 acre parcel within Unit No. 2 (the "Delinquent Commercial Land"), which is outside of Unit No. 3, that is planned for commercial use and is delinquent in the payment of its taxes and assessments. As of the date hereof, there are approximately \$15,428,269 of delinquent taxes and assessments (including amounts due for the payment of principal, interest and additional interest that is due as a result of such delinquency, and including delinquent Unit No. 2 Assessments) levied against the Delinquent Commercial Land and being collected via the Uniform Method of collection. The Unit No. 2 Bonds are in default resulting from such delinquent Unit No. 2 Assessments. Moreover, delinquencies with respect to the Delinquent Commercial Land began in tax year 2010. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS – Uniform Method Procedure" for more information regarding the treatment of delinquent lands and the possibility of such lands escheating to the County.

Unit No. 3

The District issued its Original Unit No. 3 Bonds to finance a portion of the public improvements within Unit No. 3. The Original Unit No. 3 Bonds are secured by the Original Unit No. 3 Assessments levied on the lands within Unit No. 3. The Original Unit No. 3 Bonds, which are currently outstanding in the aggregate principal amount of \$15,415,000, will be currently redeemed and refunded upon the issuance of the Unit No. 3 Refunding Bonds, and the Original Unit No. 3 Assessments will be replaced with the Unit No. 3 Refunding Assessments.

The District previously defaulted in the payment of certain debt service payments on the Original Unit No. 3 Bonds as a result of the failure by the original developer within Unit No. 3 to pay the Original Unit 3 No. Assessments. Subsequently, a new landowner acquired the lands within Unit No. 3 and such default has been cured. See "UNIT NO. 3 – Status Update on Unit No. 3" herein for more information.

Unit No. 4

The District issued its \$13,090,000 Special Assessment Revenue Bonds, Series 2016 (Unit of Development No. 4) (the "Unit No. 4 Bonds" and, together with the Original Unit No. 1 Bonds, the Unit No. 2 Bonds and the Original Unit No. 3 Bonds, the "Prior Bonds") to finance a portion of the public improvements within Unit of Development No. 4 ("Unit No. 4") within the District. The Unit No. 4 Bonds are secured by the Unit No. 4 Assessments levied on the lands within Unit No. 4. The lands in Unit No. 4 are separate and distinct from the District Lands subject to the Unit No. 3 Refunding Assessments securing the Unit No. 3 Refunding Bonds. As of the date hereof, the Unit No. 4 Bonds are outstanding in the aggregate principal amount of \$13,090,000. The Unit No. 4 Bonds are current.

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The table below contains a description of the development status of each Unit of Development within the District, as well as the Prior Bonds associated with each:

	<u>Unit No. 1</u>	<u>Unit No. 2*</u>	<u>Unit No. 3</u>	<u>Unit No. 4</u>
Acres	8,193	2,094.86	1,068	354
Planned Units	16,400 ½ Acre or Less Portions	+/- 4,300 residential units & 105.93 acres commercial	1,870	1,026
Developer	DiVosta, Lennar, TRLP*	DiVosta, Lennar, TRLP*	Lennar	TRLP & Affiliates
Homes Closed	1,942	1,942	770	None
Bonds secured by lands within Unit	1, 2, 3, 4	1, 2, 3	1, 2, 3	1, 4
Bonds Outstanding	\$29,575,000**	\$32,965,000	\$15,415,000**	\$13,090,000

* Thomas Ranch Land Partners Village 1, LLLP (a Mattamy affiliate)

** Preliminary par of Unit No. 1 Refunding Bonds and Unit No. 3 Refunding Bonds, respectively; subject to change.

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PLAN OF IMPROVEMENTS

2006 Project

The "Unit of Development No. 3 Revised Plan of Improvements" dated June 20, 2014 (the "2014 Engineer's Report") sets forth certain public infrastructure improvements to be constructed in Unit No. 3 including, without limitation, a surface water management system, environmental preserves, a potable water transmission system, a wastewater transmission system, an irrigation water storage, pumping and transmission system, roadways, and associated landscaping and entry features (collectively, the "2006 Project"). The 2014 Engineer's Report estimated the total cost of the 2006 Project at \$46,769,268, as set forth below:

Element	Total Estimated Cost
Water Management and Environmental	\$16,979,000
Utilities (including irrigation)	5,059,000
Roadways	14,682,000
Entry Features	1,000,000
Engineering, Legal and Administrative	5,736,413
Contingencies	3,312,855
Total:	<u>\$46,769,268</u>

Approximately [\$] has been spent on the 2006 Project to date from proceeds of the Original Unit No. 3 Bonds. Approximately [\$] of proceeds from the Original Unit No. 3 Bonds remain unspent and will be applied toward a portion of the remaining cost to complete the 2006 Project in accordance with the Indenture. See "UNIT NO. 3 – Status Update on Unit No. 3" for more information on the current status of Unit No. 3. Neither Lennar Homes nor any other landowner will enter into a completion agreement at closing on the Unit No. 3 Refunding Bonds to complete the 2006 Project. See "BONDOWNERS' RISKS – Insufficient Resources or Other Factors Causing Failure to Complete the Plan of Improvements or the Construction of Homes within Unit No. 3" herein.

Upon completion of the 2006 Project, the water and sewer facilities constructed within Unit No. 3 will be owned and maintained by the City. The improvements comprising the stormwater management system will be owned and maintained by the District. See "APPENDIX A: ENGINEER'S REPORT" for more information regarding the 2006 Project. The 2014 Engineer's Report was prepared by Kimley-Horn and Associates, Inc. The current District Engineer (defined below) did not participate in the preparation of the 2014 Engineer's Report, and the 2014 Engineer's Report has been included as a public document. Kimley-Horn and Associates, Inc. has not participated in the preparation of this Limited Offering Memorandum. Notwithstanding the preceding sentence, the District Engineer has indicated that all permits and approvals necessary to construct the remaining unconstructed portions of the 2006 Project have been obtained or are expected to be obtained in the ordinary course.

2017 Project

The "West Villages Improvement District Plan of Improvements for Unit No. 3 Refinancing" dated June 29, 2017 (the "2017 Engineer's Report" and together with the 2014 Engineer's Report, the "Engineer's Report") prepared by Stantec Consulting Services, Inc. (the "District Engineer"), sets forth certain additional public infrastructure improvements for Unit No. 3, including without limitation roadway improvements, additional irrigation facilities, permitting and acquisition of rights-of way (collectively, the "2017 Project" and, together with the 2006 Project, the "Plan of Improvements"). The 2017 Engineer's Report estimates the total cost of the 2017 Project at \$4,500,000, as set forth below:

Element	Total Estimated Cost
Master Planning	\$ 100,000
Pro Rata Roadway Improvements and Enhancements	2,000,000
Irrigation Water Supply and Distribution Facilities	1,000,000
Effluent Line from the County	500,000
Engineering, Legal and Administrative (15%)	540,000
Contingencies (10%)	360,000
Total:	<u>\$4,500,000</u>

A portion of the cost of the 2017 Project will be funded by net proceeds of the Unit No. 3 Refunding Bonds in the amount of approximately \$1 million. See "UNIT NO. 3 – Status Update on Unit No. 3" for more information on the current status of Unit No. 3. Neither Lennar Homes nor any other landowner will enter into a completion agreement at closing on the Unit No. 3 Refunding Bonds to complete the 2017 Project. See "BONDOWNERS' RISKS – Insufficient Resources or Other Factors Causing Failure to Complete the Plan of Improvements or the Construction of Homes within Unit No. 3" herein.

Upon completion of the 2017 Project, maintenance and updating of the irrigation supply facilities is expected to remain with the District. All other maintenance responsibilities for the 2017 Project will remain with the City or the applicable homeowners' association. See "APPENDIX A: ENGINEER'S REPORT" for more information regarding the 2017 Project.

The District Engineer has indicated that all permits and approvals necessary to construct the 2017 Project have been obtained or are expected to be obtained in the ordinary course.

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ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS

Unit No. 3 Refunding Assessments

The Amended Special Assessment Methodology Report dated July 22, 2014, as supplemented by the First Supplemental Amended Special Assessment Methodology Report dated June 29, 2017 (collectively, the "Assessment Methodology") describes the methodology for allocation of the Assessments to lands within Unit No. 3. The Assessment Methodology has been prepared by Special District Services, Inc. (the "Methodology Consultant"). See "EXPERTS" herein for more information. The Assessment Methodology is included herein as APPENDIX E. Once the final terms of the Unit No. 3 Refunding Bonds are determined, the Assessment Methodology will be amended to reflect such final terms. Once levied and imposed, the Unit No. 3 Refunding Assessments are a first lien on the land against which assessed until paid or barred by operation of law, co-equal with other taxes and assessments levied by the District and other units of government. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" herein.

The District previously issued its Original Unit No. 3 Bonds, which are secured by the Original Unit No. 3 Assessments. The Unit No. 3 Refunding Bonds will be secured by the Unit No. 3 Refunding Assessments, which will replace the Original Unit No. 3 Assessments. The Unit No. 3 Refunding Assessments will increase the principal amount of debt per unit but will not increase annual debt service assessments. Net proceeds from the Unit No. 3 Refunding Bonds will be used to fund a portion of the 2017 Project in the amount of approximately \$1,000,000.

The Unit No. 3 Refunding Assessments will be levied on the assessable lands within Unit No. 3 of the District, pursuant to the assessment roll attached to the Assessment Methodology. The estimated principal and annual debt service assessments levels per unit by product type for the Unit No. 3 Refunding Bonds are set forth on the following page:

[Remainder of page intentionally left blank.]

Product Type	Units	Original Bonds Par Per Unit	Refunding Bonds Par Per Unit*	Annual Assessments Per Unit**
35'	179	\$6,077	\$6,814	\$490
Townhome	420	\$6,077	\$6,814	\$490
Coach Home	116	\$7,317	\$8,204	\$590
45'	59	\$7,317	\$8,204	\$590
52'	513	\$8,557	\$9,595	\$690
62'	131	\$9,797	\$10,986	\$790
65'	79	\$9,797	\$10,986	\$790
70'	56	\$9,797	\$10,986	\$790
75'	252	\$11,037	\$12,376	\$890
80'	65	\$11,037	\$12,376	\$890
Total:	1,870			

* Preliminary, subject to change.

** These amounts do not include a gross up to cover early payment discounts and County collection fees. Annual Assessments per unit will not change as a result of the refunding.

Prior and Overlapping Assessments

The lands in Unit No. 3 are also located within the District's Unit No. 1 and Unit No. 2. Accordingly, in addition to the Unit No. 3 Refunding Assessments, the lands in Unit No. 3 are also subject to non-ad valorem assessments levied by the District in connection with improvements and services provided by Unit No. 1 and Unit No. 2 (the "Unit No. 1 Assessments" and the "Unit No. 2 Assessments," respectively).

Simultaneously with the issuance of the Unit No. 3 Refunding Bonds, the District expects to issue its Unit No. 1 Refunding Bonds, for the purpose of refunding the Original Unit No. 1 Bonds. Upon issuance of the Unit No. 1 Refunding Bonds, the District will levy its revised Unit No. 1 Refunding Assessments on the lands in Unit No. 1 (which include the lands in Unit No. 3). While the Unit No. 1 Refunding Assessments will increase the par amount of debt associated with Unit No. 1, annual debt assessment levels associated with the Unit No. 1 Refunding Bonds will not change.

The Unit No. 2 Assessments will continue to be levied against the lands in Unit No. 2 (which include the lands in Unit No. 3) following the issuance of the Unit No. 3 Refunding Bonds.

See "THE DISTRICT – Outstanding Indebtedness and Previous and Existing Bond Defaults" for more information on the District's prior assessments, including, without limitation, existing defaults with respect to the Unit No. 2 Assessments.

Other Assessments and Taxes

The District levies assessments to cover its operation and administrative costs, which are currently \$110 per unit annually for 2017, but such amounts are subject to change. The land within the District has been and will continue to be subject to taxes and assessments imposed by taxing authorities other than the District. These taxes would be payable in addition to the Unit No. 3 Refunding Assessments and other assessments levied by the District. In addition, exclusive of voter approved millages levied for general obligation bonds, as to which no limit applies, the City, the County and the School Board of Sarasota County each levy ad valorem taxes upon the land in the District. The District has no control over the level of ad valorem taxes and/or special assessments levied by other taxing

authorities. It is possible that in future years, taxes levied by these other entities could be substantially higher than in the current year. See "UNIT NO. 3 – Taxes, Fees and Assessments" for more information.

Combined Assessments Levels

The following chart represents a breakdown of the annual assessments, including ad valorem taxes, the Unit No. 1 Refunding Assessments, the Unit No. 2 Assessments, and the Unit No. 3 Refunding Assessments on Unit No. 3, as well as the annual maintenance special assessments, and homeowners' association fees based on an average cost per product type within Unit No. 3:

Product Type	Unit No. 1 Assess.^{1/2}	Unit No. 2 Assess.¹	Unit No. 3 Assess.¹	O&M Special Assessments¹	Estimated Total CDD Assessments Per Unit
35' Villa	\$145	\$301	\$490	\$110	\$1,046
Townhomes	\$145	\$301	\$490	\$110	\$1,046
Coach Homes	\$145	\$338	\$590	\$110	\$1,183
45' Attached Villas	\$145	\$389	\$590	\$110	\$1,234
52' Single-Family	\$145	\$398	\$690	\$110	\$1,343
62' Single-Family	\$145	\$398	\$790	\$110	\$1,443
65' Single-Family	\$145	\$398	\$790	\$110	\$1,443
70' Single-Family	\$145	\$398	\$790	\$110	\$1,443
75' Single-Family	\$145	\$398	\$890	\$110	\$1,543
80' Single-Family	\$145	\$398	\$890	\$100	\$1,533

Source: District Manager.

¹ Does not include collection fees and prepayment discounts on tax bill. O&M assessments are based on the 2016 levy.

² The Unit No. 1 Refunding Assessments are subject to change as development progresses in Unit No. 1. For a discussion of the District's planned refunding of the Original Unit No. 3 Bonds secured by the Unit No. 3 Assessments, see "THE DISTRICT – Outstanding Indebtedness and Previous and Existing Bond Defaults" and "ASSESSMENT METHODOLOGY – Prior and Overlapping Assessments" herein.

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Map of District and Unit of Development No. 3

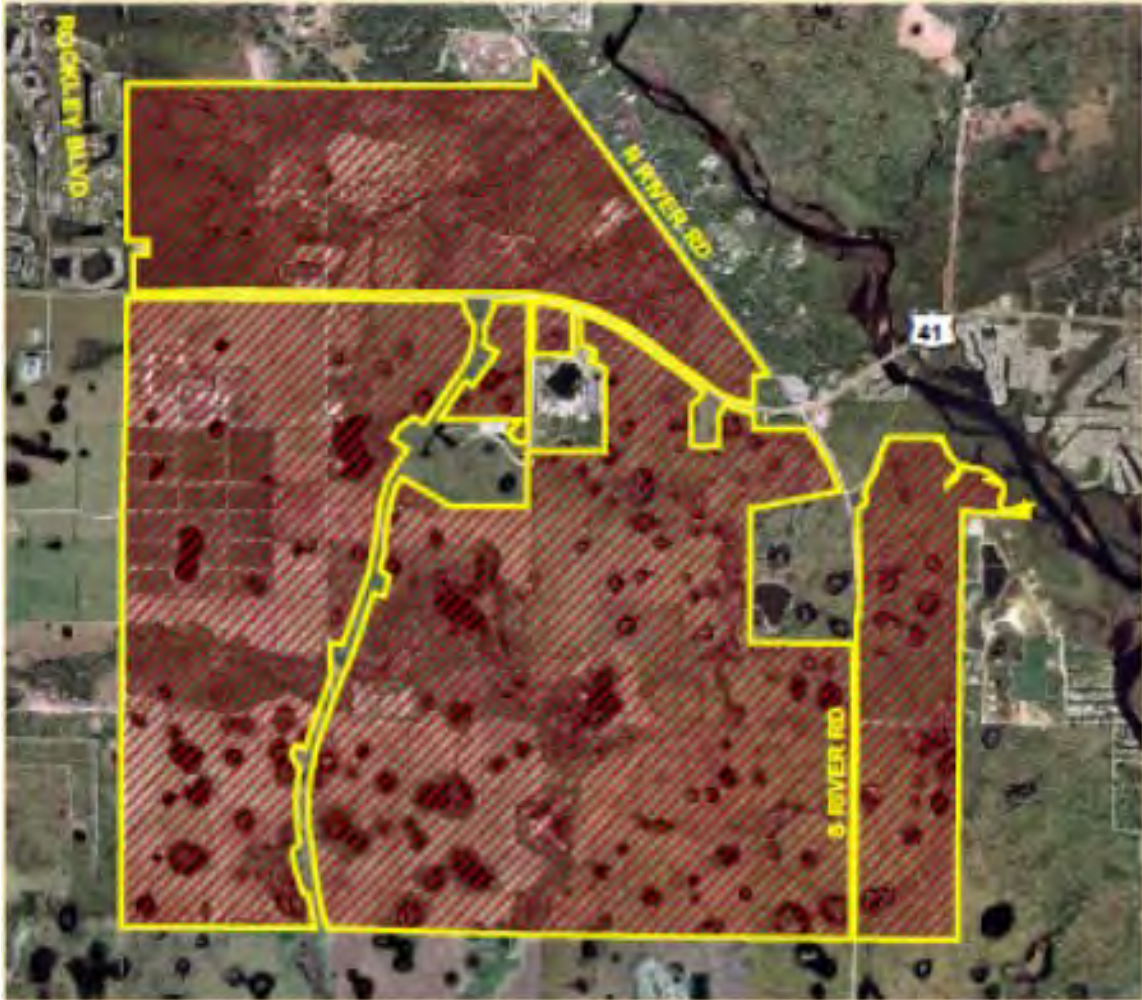
A map depicting the District, and the location of Unit No. 1, Unit No. 2, Unit No. 3 and Unit No. 4, is set forth on the following page.

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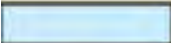


West Villages District Boundary



Unit No. 1



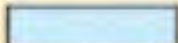


Legend

-  COUNTY BOUNDARIES
-  NORTH PORT CITY LIMITS
-  WEST VILLAGES IMPROVEMENT DISTRICT
-  UNIT 1 BOUNDARY

Unit No. 2



Legend

- COUNTY BOUNDARIES
-  NORTH PORT CITY LIMITS
-  WEST VILLAGES IMPROVEMENT DISTRICT
-  UNIT 2 BOUNDARY
-  ISLAND WALK LIMITS
-  GRAN PARADISO LIMITS
-  TOWN CENTER "2" LIMITS
-  38 ACRE MULTI-FAMILY PARCEL

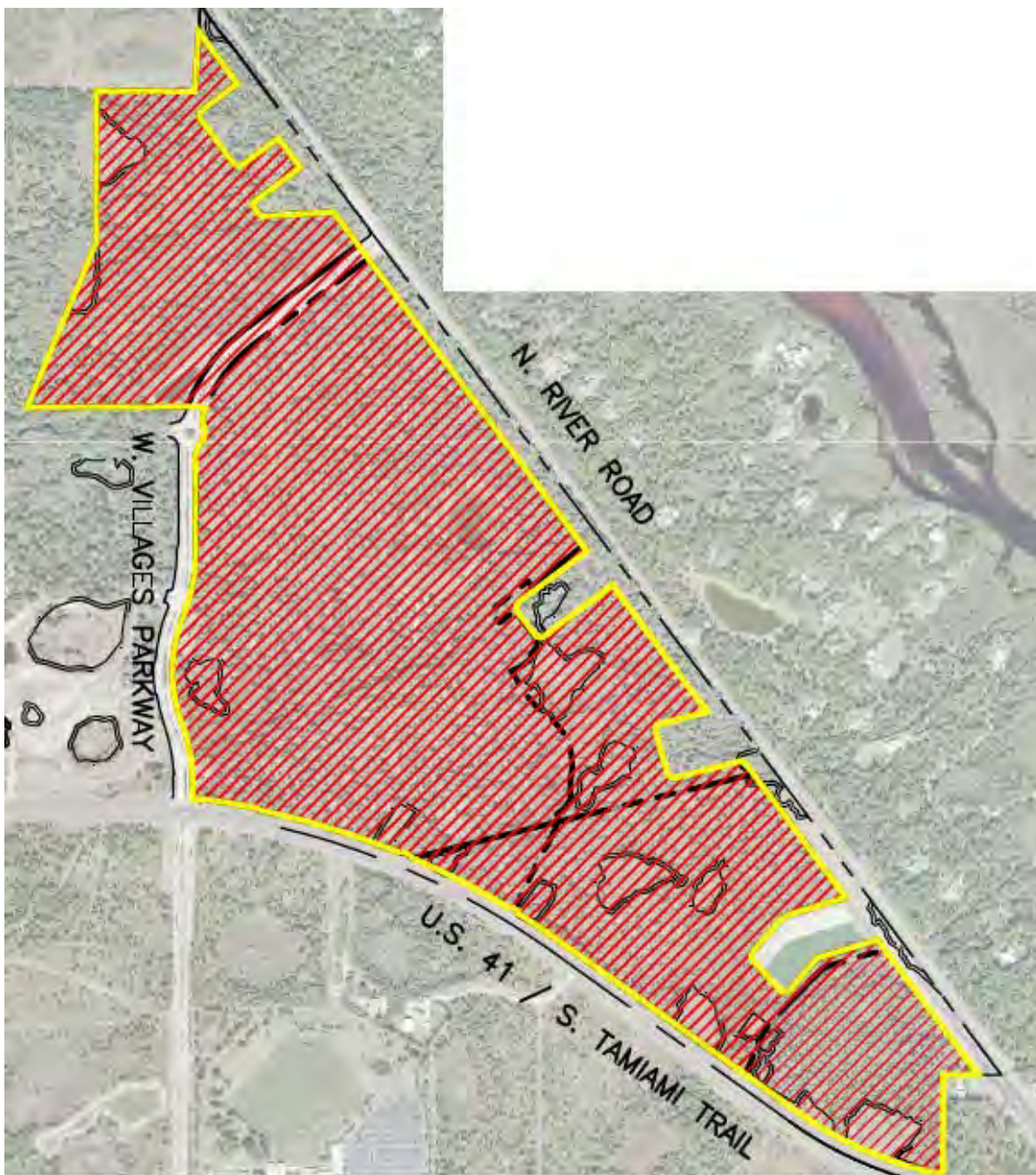
Unit No. 3



Legend

- COUNTY BOUNDARY
- NORTH PORT CITY LIMITS
- ▨ WEST VILLAGES IMPROVEMENT DISTRICT
- GRAN PARADISO BOUNDARY
- UNIT 3 BOUNDARY

Unit No. 4



UNIT NO. 3

General

The District contains approximately 12,409 acres and is planned to be developed in phases over the next twenty years. The District was created to provide for the acquisition, construction, operation and maintenance of infrastructure improvements for the District Lands, which are located within both the City of North Port and unincorporated portions of Sarasota County. The District Lands are located along South Tamiami Trail (U.S. 41), south and west of North River Road and approximately six miles west of Interstate 75.

Under the Act, the District is authorized to create separate "Units of Development" to facilitate the development of the District Lands. The portion of the District Lands that will be subject to the levy of the Unit No. 3 Refunding Assessments is Unit of Development No. 3 ("Unit No. 3"). Unit No. 3, which consists of approximately 1,068 gross acres of land, is being developed under the name "Gran Paradiso" and currently is planned for 1,870 units. The number and type of residential units planned is set forth below:

<u>Product</u>	<u># of Units</u>
35' Villas	179
Townhomes	420
Coach Homes	116
45' Attached Villas	59
52' Single Family	513
62' Single Family	131
65' Single Family	79
70' Single Family	56
75' Single Family	252
80' Single Family	65
Total	1,870

Lennar Homes, LLC, a Florida limited liability company ("Lennar Homes") is the primary landowner, developer and homebuilder within Unit No. 3. See "- Status Update on Unit No. 3" herein for more information. Other portions of the District outside of Unit No. 3 are in the process of being developed, and units are being constructed. Those communities are known as "IslandWalk," which is a Pulte community, and "Renaissance," "Oasis" and Preserve," which are Mattamy Homes communities. D.R. Horton is also building on lots in the Preserve. See "- Competition" below for more information.

Status Update on Unit No. 3

The original landowners in Unit No. 3 defaulted in their payment of the Original Unit No. 3 Assessments. Lennar Homes acquired a portion of the land in Unit No. 3 in the District's 2012-13 Fiscal Year and is now the primary developer and homebuilder within Unit No. 3.

At the time of the original landowners' default, the lands in Unit No. 3 were partially developed with infrastructure and 30 residential units had been sold to end users. As of June 20, 2017, of the 1,870 planned units in Unit No. 3, 770 units have been closed with homebuyers, approximately 550 lots have been developed and platted, and the remaining lots are in various stages of development. In calendar year 2015 and 2016, approximately 205 units and 259 units, respectively were closed with homebuyers. Home prices range from the low \$200,000s for townhomes to the \$500,000s for estate homes.

The chart below sets forth the current ownership status of the lands within Unit No. 3, based on public records:

<u>Owner</u>	<u># of Lots/Units Owned</u>	<u>% of Assessments in Unit 3</u>
Lennar Homes	1,056	57%
Residents	770	41%
Sam Rodgers	45	2%
<i>Total:</i>	1,870	100%

Assessment Collection History

Approximately 45.83% of the Original Unit No. 3 Assessments are currently collected by the Sarasota County Tax Collector. The remaining portion of Original Unit No. 3 Assessments are direct billed to Lennar Homes. The historical collections for the last three full fiscal years of the District for the Original Unit No. 3 Assessments, along with the current fiscal year through June 20, 2017, are set forth below. The chart below with regard to on-tax roll and off-tax roll collections reflects net debt service assessment excluding collection fees for on-roll assessments.

Total Collections (Includes On-Roll & Direct-Billed Collections):

	<u>13-14</u>	<u>14-15</u>	<u>15-16</u>	<u>17 YTD</u>
Net Debt Service Levy	\$1,466,000	\$1,272,825	\$1,271,925	\$1,269,925
Debt Service Collected by May 1	\$1,012,050	\$1,203,623	\$ 872,568	\$825,058
Debt Service Collected after May 1	\$ 454,084	\$ 76,463	\$ 415,581	\$709
Total Collected	\$1,466,134	\$1,280,086	\$1,288,148	\$825,767
Excess Collected	\$134	\$7,261	\$16,223	--
Collection %	100%	101%	101%	65%
Remaining to Be Collected	--	--	--	\$444,158 ⁽¹⁾

(1) Outstanding direct bill to be paid by Lennar Homes.

The historical collection results shown should not be relied upon as a forecast of future collection results. Collection results are subject to various economic and market factors beyond the control of the District.

Residential Product Offerings

The following information is from publicly available sources regarding the unit mix expected to be developed in Unit No. 3:

<u>Type</u>	<u>Size</u>	<u>Price</u>
Coach Homes	1,883–2,099	\$241,999–\$261,999
Estate Homes	2,361–3,800	\$369,999–\$501,999
Executive Homes	1,340–3,231	\$235,999–\$340,999
Manor Homes	2,245–3,867	\$327,999–\$427,999
Townhomes	1871–1879	\$206,999–\$216,999
Twin Villas	1417–1564	\$213,999–\$223,999

In calendar years 2015 and 2016, approximately 205 units and 259 units, respectively, were closed with homebuyers. There can be no assurance such absorption rates will continue in the future. See "BONDOWNERS' RISKS – Insufficient Resources or Other Factors Causing Failure to Complete the Plan of Improvements or the Construction of Homes within Unit No. 3" herein.

Amenities

Unit No. 3 contains an approximately 20,000 square foot completed clubhouse complete with a library, board room, card room and fitness center and a resort-style pool. The clubhouse is owned, operated and maintained by Gran Paradiso Property Homeowners Association, Inc.

Utilities

The City provides water and sewer service to Unit No. 3. Florida Power & Light Company provides electrical service to Unit No. 3. The District will own and operate the stormwater management facilities.

Taxes, Fees and Assessments

The lands in Unit No. 3 are also located within a portion of the District's Unit No. 1 and Unit No. 2. Accordingly, in addition to the Unit No. 3 Refunding Assessments, all of the lands in Unit No. 3 are currently subject to the Original Unit No. 1 Assessments and the Unit No. 2 Assessments. The District also anticipates continuing to levy assessments to cover its operation and administrative costs that are expected to be \$110 per unit annually for 2017, but such amounts are subject to change. In addition, each neighborhood will be subject to a homeowners' association, which is expected to levy assessments in amounts to be determined based on the amenities in such neighborhood.

The land within the District has been and will continue to be subject to taxes and assessments imposed by taxing authorities other than the District. The total millage rate in Unit No. 3 in 2016 was approximately 15.7248 mills. These taxes would be payable in addition to the Unit No. 3 Refunding Assessments and other assessments levied by the District. In addition, exclusive of voter approved millages levied for general obligation bonds, as to which no limit applies, the City, the County and the School Board of Sarasota County each levy ad valorem taxes upon the land in the District. The District has no control over the level of ad valorem taxes and/or special assessments levied by other taxing authorities. It is possible that in future years, taxes levied by these other entities could be substantially higher than in the current year.

See "ASSESSMENT METHODOLOGY" herein for more information regarding the Unit No. 3 Refunding Assessments, the Unit No. 1 Refunding Assessments and the Unit No. 2 Assessments, and the combined levels of taxes, fees and assessments levied against the lands in Unit No. 3 by product type.

Education

School age residents of Unit No. 3 are expected to attend Taylor Ranch Elementary School, Heron Creek Middle School and North Port High School, which are located approximately 2.5 miles, 8 miles and 8 miles away from Unit No. 3, respectively, and which were rated by the State in 2016 (the most recent year for which grades are available) as A, B and B, respectively. The Sarasota County School Board may change school boundaries from time to time and there is no requirement that students residing in Unit No. 3 be permitted to attend the schools which are closest to Unit No. 3.

Competition

The homes in Unit No. 3 are expected to compete with projects in the County market generally. The District believes the projects below will be the most direct competition for the homes in Unit No. 3:

Renaissance, Oasis & Preserve

Approximately two miles from Unit No. 3, there is additional development within Unit No. 4 of the District being constructed by Mattamy Homes and DR Horton. Home prices range from approximately \$200,000 to approximately \$500,000 and will feature extensive amenities.

Sarasota National

Sarasota National is located approximately three miles from Unit No. 3 outside of the District. Being developed by WCI, Sarasota National offers single-family homes, carriage and coach homes and villas ranging in price from approximately \$197,000 to approximately \$436,000 and features a golf course and a planned resort-style clubhouse with dining, fitness center and outdoor heated pools. Development began in 2006 and is expected to be completed in 2023.

Grand Palm

Grand Palm is located approximately two miles from Unit No. 3 outside of the District. Being developed by Neal Communities, Grand Palm offers single-family homes and cottages ranging in price from approximately \$177,000 to approximately \$441,000 and features a clubhouse with an activities coordinator, fitness facility and recreation area, resort-style and fitness pools, walking and bike trails, basketball, tennis, bocce and volleyball courts and a children's splash park and playground. Development began in 2012 and is expected to be completed in 2021, with plans for 1,999 homes at completion.

IslandWalk

IslandWalk at West Villages is located within the District approximately **two miles** from Unit No. 3. Being developed by DiVosta Homes, Island Walk offers single-family homes ranging in price from the low \$200,000s to the high \$300,000s and features a clubhouse with an on-site activities coordinator, fitness center, library and craft rooms, resort-style and lap pools, tennis and bocce ball courts and walking trails. Development began in 2005 and is expected to be completed in 2022.

This section does not purport to summarize all of the existing or planned communities in the area of Unit No. 3, but rather provides a description of those that the District feels pose primary competition to Unit No. 3.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Bond Counsel, the proposed form of which is included as APPENDIX C hereto, the interest on the Unit No. 3 Refunding Bonds is, under Section 103 of the Code (as defined below), excludable from federal gross income and is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations under existing statutes, regulations, published rulings and court decisions. However, interest on the Unit No. 3 Refunding Bonds is taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on corporations pursuant to the Internal Revenue Code of 1986, as amended (the "Code"). Failure by the District to comply subsequent to the issuance of the Unit No. 3 Refunding Bonds with certain requirements of the Code, regarding the use, expenditure and investment of bond proceeds and the timely payment of certain investment earnings to the Treasury of the United States, may cause interest on the Unit No. 3 Refunding Bonds to become includable in gross income for federal income tax purposes retroactive to their date of issue. The District has covenanted in the Indenture to comply with all provisions of the Code necessary to, among other things, maintain the exclusion from gross income of interest on the Unit No. 3 Refunding Bonds for purposes of federal income taxation. In rendering this opinion, Bond Counsel has assumed continuing compliance with such covenant.

Internal Revenue Code of 1986

The Code contains a number of provisions that apply to the Unit No. 3 Refunding Bonds, including, among other things, restrictions relating to the use of investment of the gross proceeds of the Unit No. 3 Refunding Bonds and the payment of certain arbitrage earnings in excess of the "yield" on the Unit No. 3 Refunding Bonds to the Treasury of the United States. Noncompliance with such provisions may result in interest on the Unit No. 3 Refunding Bonds being included in gross income for federal income tax purposes retroactive to their date of issue.

Collateral Tax Consequences

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of, the Unit No. 3 Refunding Bonds. Prospective purchasers of the Unit No. 3 Refunding Bonds should be aware that the ownership of the Unit No. 3 Refunding Bonds may result in collateral federal tax consequences.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE UNIT NO. 3 REFUNDING BONDS, AS THE CASE MAY BE, AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL OR CORPORATE BONDHOLDERS. PROSPECTIVE BONDHOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Other Tax Matters

Interest on the Unit No. 3 Refunding Bonds may be subject to state or local income taxation under state or local laws. Purchasers of the Unit No. 3 Refunding Bonds should consult their tax advisors as to the income tax status of interest on the Unit No. 3 Refunding Bonds in their particular state or local jurisdictions.

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Unit No. 3 Refunding Bonds. In some cases these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Unit No. 3 Refunding Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Unit No. 3 Refunding Bonds and their market value. No assurance can be given that additional legislative proposals will not be introduced or enacted that would or might apply to, or have an adverse effect upon, the Unit No. 3 Refunding Bonds.

[Tax Treatment of Original Issue Discount]

[Under the Code, the difference between the stated principal amount at maturity of the Unit No. 3 Refunding Bonds maturing on _____, 20__ through and including _____, 20__ (collectively, the "Discount Bonds") and the initial offering price to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers, at which price a substantial amount of the Discount Bonds of the same maturity and if applicable, interest rate, was sold is "original issue discount" which is excluded from gross income for federal income tax purposes to the same extent as described above. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount Bond and the basis of each Discount Bond acquired at such initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Discount Bonds, even though there will not be a corresponding cash payment.]

AGREEMENT BY THE STATE

Under Article I, Section 10 of the Florida Constitution, the State of Florida pledges to the holders of certain bonds, including the Unit No. 3 Refunding Bonds, that it will not enact any legislation impairing the ability of the issuer of such bonds to fulfill the terms of any agreement made with the holders of such bonds, such as the Indenture, or which would in any way impair the rights or remedies of such holders.

SUITABILITY FOR INVESTMENT

In accordance with applicable provisions of Florida law, the Unit No. 3 Refunding Bonds may initially be sold by the District only to "accredited investors" within the meaning of Chapter 517, Florida Statutes and the rules promulgated thereunder. The limitation of the initial offering to "accredited investors" does not denote restrictions on transfer in any secondary market for the Unit No. 3 Refunding Bonds. Investment in the Unit No. 3 Refunding Bonds poses certain economic risks. No dealer, broker, salesperson or other person has been authorized by the District or the Underwriter to give any information or make any representations, other than those contained in this Limited Offering Memorandum.

ENFORCEABILITY OF REMEDIES

The remedies available to the Owners of the Unit No. 3 Refunding Bonds upon an event of default under the Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including the federal bankruptcy code, the remedies specified by the Indenture and the Unit No. 3 Refunding Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently

with the delivery of the Unit No. 3 Refunding Bonds will be qualified as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery.

LITIGATION

There is no litigation of any nature now pending or, to the knowledge of the District threatened, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Unit No. 3 Refunding Bonds, or in any way contesting or affecting (i) the validity of the Unit No. 3 Refunding Bonds or any proceedings of the District taken with respect to the issuance or sale thereof, (ii) the pledge or application of any moneys or security provided for the payment of the Unit No. 3 Refunding Bonds, (iii) the existence or powers of the District or (iv) the validity of the Assessment Proceedings.

CONTINGENT FEES

The District has retained Bond Counsel, District Counsel, the District Engineer, the Methodology Consultant, the Underwriter (who has retained Underwriter's Counsel) and the Trustee (which has retained Trustee's counsel), with respect to the authorization, sale, execution and delivery of the Unit No. 3 Refunding Bonds. Except for the payment of fees to District Counsel, the District Engineer and the Methodology Consultant, the payment of fees of the other professionals is each contingent upon the issuance of the Unit No. 3 Refunding Bonds.

NO RATING

No application for a rating for the Unit No. 3 Refunding Bonds has been made to any rating agency, nor is there any reason to believe that an investment grade rating for the Unit No. 3 Refunding Bonds would have been obtained if application had been made.

EXPERTS

The 2017 Engineer's Report included in APPENDIX A to this Limited Offering Memorandum has been prepared by Stantec Consulting Services, Inc., Sarasota, Florida, the District Engineer. The District Engineer has consented to the inclusion of the 2017 Engineer's Report in this Limited Offering Memorandum. The 2014 Engineer's Report included in APPENDIX A to this Limited Offering Memorandum has been prepared by Kimley-Horn and Associates, Inc. and has been included in this Limited Offering Memorandum as a publicly available document. Kimley-Horn and Associates, Inc. has not consented to the inclusion of the 2014 Engineer's Report in this Limited Offering Memorandum and has not participated in the preparation of this Limited Offering Memorandum. APPENDIX A should be read in its entirety for complete information with respect to the subjects discussed therein.

Special District Services, Inc., as Methodology Consultant, has prepared the Assessment Methodology set forth as APPENDIX E hereto and has consented to the inclusion of the Assessment Methodology in this Limited Offering Memorandum. APPENDIX E should be read in its entirety for complete information with respect to the subjects discussed therein.

FINANCIAL INFORMATION

This District will covenant in a Continuing Disclosure Agreement, the proposed form of which is set forth in APPENDIX D hereto, to provide its annual audited financial statements to certain information repositories as described in APPENDIX D, commencing with the audit for the District fiscal year ending

September 30, 2017. Attached hereto as APPENDIX F is a copy of the District's audited financial statements for the District's fiscal years ended September 30, 2016, and September 30, 2015, as well as a copy of the District's most recent unaudited financial statements for the period ended [REDACTED], 2017. Two years of audited financial statements have been included as required by Florida Administrative Rule 69W-400.003(h) due to the District's previous default on the payment of principal and interest on its Prior Bonds. See "THE DISTRICT – Outstanding Indebtedness and Prior Bond Defaults" for more information regarding such defaults. Such audited financial statements, including the auditor's report included within the audited financial statements, have been included in this Limited Offering Memorandum as publicly available documents and consent from the auditor was not requested. Further, the auditors have not performed any services related to, and therefore are not associated with, the preparation of this Limited Offering Memorandum. The Unit No. 3 Refunding Bonds are not general obligation bonds of the District and are payable solely from the Series 2017 Trust Estate.

Beginning October 1, 2015, special districts in Florida must have a separate website with certain information as set forth in Section 189.069, F.S. Under such statute, each district must post its proposed budget and final budget and a link to the auditor general's website (and the district's audit) on a district website or the website of the municipal or county government. Additional information regarding the District's website is available from the District Manager at the address set forth under "THE DISTRICT – The District Manager and Other Consultants."

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Section 517.051, Florida Statutes, and the regulations promulgated thereunder requires that the District make a full and fair disclosure of any bonds or other debt obligations that it has issued or guaranteed and that are or have been in default as to principal or interest at any time after December 31, 1975 (including bonds or other debt obligations for which it has served only as a conduit issuer such as industrial development or private activity bonds issued on behalf of private business).

The District previously defaulted as to principal and interest on certain of its Prior Bonds. See "THE DISTRICT – Outstanding Indebtedness and Prior Bond Defaults" herein for more information.

CONTINUING DISCLOSURE

The District will enter into the Continuing Disclosure Agreement (the "Disclosure Agreement") in the proposed form of APPENDIX D, for the benefit of the Unit No. 3 Refunding Bondholders (including owners of beneficial interests in such Unit No. 3 Refunding Bonds), to provide certain financial information and operating data relating to the District by certain dates prescribed in the Disclosure Agreement (the "Reports") with the MSRB through the MSRB's EMMA system. The specific nature of the information to be contained in the Reports is set forth in "APPENDIX D: PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT." Under certain circumstances, the failure of the District to comply with its obligations under the Disclosure Agreement constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Disclosure Agreement would allow the Unit No. 3 Refunding Bondholders (including owners of beneficial interests in such Unit No. 3 Refunding Bonds), as applicable, to bring an action for specific performance.

The District has previously entered into continuing disclosure undertakings in connection with its Prior Bonds. A review of filings made pursuant to those obligations indicates that certain filings were not timely made and that notice of such late filings was not always provided. The District fully anticipates satisfying all future disclosure obligations required pursuant to its Disclosure Agreement and Rule 15c2-

12. Special District Services, Inc., a Florida corporation, will serve as Dissemination Agent for the Unit No. 3 Refunding Bonds.

UNDERWRITING

FMSbonds, Inc. (the "Underwriter") has agreed, pursuant to a contract with the District, subject to certain conditions, to purchase the Unit No. 3 Refunding Bonds from the District at a purchase price of \$_____ (representing the par amount of the Unit No. 3 Refunding Bonds less [original issue discount of \$_____ and] an Underwriter's discount of \$_____). The Underwriter's obligations are subject to certain conditions precedent and the Underwriter will be obligated to purchase all of the Unit No. 3 Refunding Bonds if any are purchased.

The Underwriter intends to offer the Unit No. 3 Refunding Bonds to accredited investors at the offering prices set forth on the cover page of this Limited Offering Memorandum, which may subsequently change without prior notice. The Unit No. 3 Refunding Bonds may be offered and sold to certain dealers, banks and others at prices lower than the initial offering prices, and such initial offering prices may be changed from time to time by the Underwriter.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

As of the delivery date of the Unit No. 3 Refunding Bonds, Terminus Analytics, LLC (the "Verification Agent") will verify the mathematical accuracy of the computations contained in schedules provided by FMSbonds, Inc., to determine that the cash deposit to be held in the Escrow Fund will be sufficient to pay, when due on the redemption date thereof, the principal of and interest on the Refunded Bonds.

VALIDATION

Forty million dollars (\$90,000,000.00) of special assessment revenue bonds of the District to be issued from time to time were validated by the Circuit Court of the Twelfth Judicial Circuit of Florida on March 10, 2006. The period for appeal of the judgment of validation of such special assessment revenue bonds has expired, and no appeal was filed.

LEGAL MATTERS

Certain legal matters related to the authorization, sale and delivery of the Unit No. 3 Refunding Bonds are subject to the approval of Akerman LLP, Orlando, Florida, Bond Counsel. Certain legal matters will be passed upon for the District by its counsel Hopping Green & Sams, P.A., Tallahassee, Florida, and for the Underwriter by its counsel, GrayRobinson, P.A., Tampa, Florida.

Bond Counsel's opinions included herein are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date hereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or the courts; rather, such opinions represent Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

AUTHORIZATION AND APPROVAL

The execution and delivery of this Limited Offering Memorandum has been duly authorized by the Board of Supervisors of the District.

**WEST VILLAGES IMPROVEMENT
DISTRICT**

By: _____
Chairperson, Board of Supervisors

APPENDIX A
ENGINEER'S REPORT

APPENDIX B

**COPY OF MASTER INDENTURE AND PROPOSED FORM OF SECOND
SUPPLEMENTAL INDENTURE**

APPENDIX C

**PROPOSED FORM OF APPROVING OPINION
OF BOND COUNSEL**

APPENDIX D

**PROPOSED FORM OF
CONTINUING DISCLOSURE AGREEMENT**

APPENDIX E
ASSESSMENT METHODOLOGY

APPENDIX F

DISTRICT'S FINANCIAL STATEMENTS

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (this "Disclosure Agreement"), dated as of August __, 2017, is executed and delivered by the **WEST VILLAGES IMPROVEMENT DISTRICT** (the "District" or the "Issuer") and **SPECIAL DISTRICT SERVICES, INC.**, a Florida corporation (the "Dissemination Agent") in connection with the issuance of \$_____ original aggregate principal amount of West Villages Improvement District (City of North Port, Florida) Special Assessment Revenue Refunding Bonds, Series 2017 (Unit of Development No. 3) (the "Bonds"). The Bonds are being issued pursuant to the Master Trust Indenture dated as of April 1, 2006 (the "Master Indenture"), as supplemented and amended by the Second Supplemental Trust Indenture dated as of August 1, 2017 (the "Second Supplement" and together with the Master Indenture, the "Indenture"), each by and between the District and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association duly organized and existing under the laws of the United States of America and having a designated corporate trust office in Ft. Lauderdale, Florida, as trustee (the "Trustee"). For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in consideration of the mutual promises and other considerations contained herein, the District and the Dissemination Agent covenant and agree as follows:

Section 1. Purpose of this Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the District and the Dissemination Agent for the benefit of the Beneficial Owners (as defined herein) of the Bonds and to assist the Participating Underwriter (as defined herein) of the Bonds in complying with the Rule (as defined herein). The District has no reason to believe that this Disclosure Agreement does not satisfy the requirements of the Rule and the execution and delivery of this Disclosure Agreement is intended to comply with the Rule. To the extent it is later determined by a court of competent jurisdiction, a governmental regulatory agency, or an attorney specializing in federal securities law, that the Rule requires the District to provide additional information, the District agrees to promptly provide such additional information.

The provisions of this Disclosure Agreement are supplemental and in addition to the provisions of the Indenture with respect to reports, filings and notifications provided for therein, and do not in any way relieve the District, the Trustee or any other person of any covenant, agreement or obligation under the Indenture (or remove any of the benefits thereof) nor shall anything herein prohibit the District, the Trustee or any other person from making any reports, filings or notifications required by the Indenture or any applicable law.

Section 2. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Indenture. The following capitalized terms as used in this Disclosure Agreement shall have the following meanings:

"Annual Filing Date" means the date set forth in Section 3(a) hereof by which the Annual Report is to be filed with each Repository.

"Annual Financial Information" means annual financial information as such term is used in paragraph (b)(5)(i)(A) of the Rule and specified in Section 4(a) of this Disclosure Agreement.

"Annual Report" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Assessment Area" shall mean that portion of the District lands subject to Special Assessments.

"Audited Financial Statements" means the financial statements (if any) of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 4(a) of this Disclosure Agreement.

"Audited Financial Statements Filing Date" means the date set forth in Section 3(a) hereof by which the Audited Financial Statements are to be filed with each Repository if the same are not included as part of the Annual Report.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Business Day" means any day other than (a) a Saturday, Sunday or a day on which banks located in the city in which the designated corporate trust office of the Trustee is located are required or authorized by law or executive order to close for business, and (b) a day on which the New York Stock Exchange is closed.

"Disclosure Representative" shall mean the District Manager or its designee, or such other person as the Issuer shall designate in writing to the Dissemination Agent from time to time as the person responsible for providing information pursuant to this Disclosure Agreement to the Dissemination Agent.

"Dissemination Agent" shall mean the Issuer or an entity appointed by the Issuer to act in the capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Issuer pursuant to Section 8 hereof. Special District Services, Inc., a Florida limited liability company, has been designated as the initial Dissemination Agent hereunder.

"District Manager" shall mean the person or entity serving as District Manager from time to time.

"EMMA" means the Electronic Municipal Market Access System for municipal securities disclosures located at <http://emma.msrb.org/>.

"EMMA Compliant Format" shall mean a format for any document provided to the MSRB (as hereinafter defined) which is in an electronic format and is accompanied by identifying information, all as prescribed by the MSRB.

"Fiscal Year" shall mean the period commencing on October 1 and ending on September 30 of the next succeeding year, or such other period of time provided by applicable law.

"Limited Offering Memorandum" shall mean that Limited Offering Memorandum dated _____, 2017, prepared in connection with the issuance of the Bonds.

"Listed Event" shall mean any of the events listed in Section 6(a) of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Participating Underwriter" shall mean FMSbonds, Inc.

"Quarterly Filing Date" shall mean for the quarter ending (i) March 31, each May 1; (ii) June 30, each August 1; (iii) September 30, each November 1; and (iv) December 31, each February 1 of the following year. The first Quarterly Filing Date shall be August 1, 2018.

"Quarterly Report" shall mean any Quarterly Report provided by the District pursuant to, and as described in, Section 5 of this Disclosure Agreement.

"Repository" shall mean each entity authorized and approved by the SEC (as hereinafter defined) from time to time to act as a repository for purposes of complying with the Rule. The Repositories approved by the SEC may be found by visiting the SEC's website at <http://www.sec.gov/info/municipal/nrmsir.htm>. As of the date hereof, the Repository recognized by the SEC for such purpose is the MSRB, which currently accepts continuing disclosure submissions through its EMMA web portal at <http://emma.msrb.org>. As used herein, "Repository" shall include the State Repository, if any.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the SEC (as hereinafter defined) under the Securities Exchange Act of 1934, as the same has been and may be amended from time to time.

"SEC" means the Securities and Exchange Commission.

"Special Assessments" shall mean the non-ad valorem Special Assessments pledged to the payment of the Bonds pursuant to the Indenture.

"State" shall mean the State of Florida.

"State Repository" shall mean any public or private repository or entity designated by the State as a state repository for the purposes of the Rule.

Section 3. Provision of Annual Reports.

(a) Subject to the following sentence, the Issuer shall provide the Annual Report to the Dissemination Agent no later than one hundred and eighty (180) days after the close of the Issuer's Fiscal Year (the "Annual Filing Date"), commencing with the Annual Report for the Fiscal Year ending September 30, 2017. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the Audited Financial Statements of the District may be submitted separately from the balance of the Annual Report, and may be submitted in accordance with State law, which currently requires such Audited Financial Statements to be provided up to, but no later than, nine (9) months after the close of the District's Fiscal Year (the "Audited Financial Statements Filing Date"). The District shall, or shall cause the Dissemination Agent to, provide to the Repository the components of an Annual Report which satisfies the requirements of Section 4(a) of this Disclosure Agreement within thirty (30) days after same becomes available, but in no event later than the Annual Filing Date or Audited Financial Statements Filing Date, if applicable. If the District's Fiscal Year changes, the District shall give notice of such change in the same manner as for a Listed Event under Section 6.

(b) If, on the fifteenth (15th) day prior to each Annual Filing Date or the Audited Financial Statements Filing Date if the Audited Financial Statements are not included as part of the Annual Report, the Dissemination Agent has not received a copy of the Annual Report or of the Audited Financial Statements if the Audited Financial Statements are not included as part of

the Annual Report, the Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by email) to remind the District of its undertaking to provide the Annual Report or Audited Financial Statements, as applicable, pursuant to Section 3(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Report and/or Audited Financial Statements, as applicable, in accordance with Section 3(a) above, or (ii) advise the Dissemination Agent in writing that the District will not be able to file the Annual Report and/or Audited Financial Statements, as applicable, within the time required under this Disclosure Agreement, state the date by which the Annual Report or Audited Financial Statements, as applicable, for such year will be provided and instruct the Dissemination Agent that a Listed Event as described in Section 6(a)(xv) has occurred and to immediately send a notice to the Repository in substantially the form attached hereto as Exhibit A.

(c) If the Dissemination Agent has not received (i) an Annual Report by 12:00 noon on the first (1st) Business Day following the Annual Filing Date for the Annual Report or (ii) Audited Financial Statements by 12:00 noon on the first (1st) Business Day following the Audited Financial Statements Filing Date for the Audited Financial Statements, then a Listed Event as described in Section 6(a)(xv) shall have occurred and the District irrevocably directs the Dissemination Agent to immediately send a notice to the Repository in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) determine each year prior to the Annual Filing Date the name, address and filing requirements of the Repository; and

(ii) promptly upon fulfilling its obligations under subsection (a) above, file a notice with the District stating that the Annual Report or Audited Financial Statements, as applicable, has been provided pursuant to this Disclosure Agreement, stating the date(s) it was provided and listing all Repositories with which it was filed.

(e) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Agreement shall be provided in an EMMA Compliant Format.

Section 4. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the District, including:

(i) The amount of Special Assessments levied in the Assessment Area for the most recent prior Fiscal Year.

(ii) The amount of Special Assessments collected in the Assessment Area from the property owners during the most recent prior Fiscal Year.

(iii) If available, the amount of delinquencies in the Assessment Area greater than one hundred fifty (150) days and, in the event that delinquencies amount to more than ten percent (10%) of the amounts of Special Assessments due in any year, a list of delinquent property owners.

(iv) If available, the amount of tax certificates sold for lands within the Assessment Area, if any, and the balance, if any, remaining for sale from the most recent Fiscal Year.

(v) All fund balances in all Funds and Accounts for the Bonds. The District shall provide any Bondholder with this information more frequently than annually upon the written request of such Bondholder and within thirty (30) days of such written request.

(vi) The total amount of Bonds Outstanding.

(vii) The amount of principal and interest to be paid on the Bonds in the current Fiscal Year.

(viii) The most recent Audited Financial Statements of the District.

(ix) In the event of any amendment or waiver of a provision of this Disclosure Agreement, a description of such amendment or waiver in the next Annual Report, which in each case shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change in accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements: (i) notice of such change shall be given in the same manner as for a Listed Event under Section 6(b) and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

To the extent any of the items set forth in subsections (i) through (vii) above are included in the Audited Financial Statements referred to in subsection (viii) above, they do not have to be separately set forth (unless Audited Financial Statements are being delivered more than 180 days after the close of the Issuer's Fiscal Year pursuant to Section 3(a) hereof). Any or all of the items listed above may be incorporated by reference from other documents, including limited offering memorandums and official statements of debt issues of the District or related public entities, which have been submitted to the MSRB or the SEC. If the document incorporated by reference is a final limited offering memorandum or official statement, it must be available from the MSRB. The District shall clearly identify each such other document so incorporated by reference.

(b) The District agrees to supply, in a timely fashion, any information reasonably requested by the Dissemination Agent that is necessary in order for the Dissemination Agent to carry out its duties under this Disclosure Agreement. The District acknowledges and agrees that the information to be collected and disseminated by the Dissemination Agent will be provided by the District and others. The Dissemination Agent's duties do not include authorship or production of any materials, and the Dissemination Agent shall have no responsibility hereunder for the content of the information provided to it by the District or others as thereafter disseminated by the Dissemination Agent.

(c) Any Annual Financial Information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification

and the impact of the change in the type of operating data or financial information being provided.

Section 5. Quarterly Reports.

(a) Each Quarterly Report shall contain an update of the following information in the Limited Offering Memorandum to the extent available:

(i) The number and type of lots in the Assessment Area subject to the Special Assessments (including the number of platted and unplatted lots).

(ii) The number of planned lots owned by homebuilders (including the number of homebuilder lots that are platted and unplatted) in the Assessment Area.

(iii) The number of homes closed with homebuyers during quarter in the Assessment Area.

(iv) Cumulative homes closed to date with homebuyers in the Assessment Area.

Section 6. Reporting of Significant Events.

(a) This Section 6 shall govern the giving of notices of the occurrence of any of the following Listed Events:

(i) Principal and interest payment delinquencies;

(ii) Non-payment related defaults, if material;

(iii) Unscheduled draws on the Debt Service Reserve Fund reflecting financial difficulties;

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties;

(v) Substitution of credit or liquidity providers, or their failure to perform;

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(vii) Modifications to rights of Bond holders, if material;

(viii) Bond calls, if material, and tender offers;

(ix) Defeasances;

(x) Release, substitution, or sale of property securing repayment of the Bonds, if material;

(xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership or similar event of the District (which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District);

(xiii) Consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional Trustee or the change of name of the Trustee, if material; and

(xv) Failure to provide (A) any Annual Report or Audited Financial Statement as required under this Disclosure Agreement that contains, in all material respects, the information required to be included therein under Section 4(a) of this Disclosure Agreement, or (B) any Quarterly Report as required under this Disclosure Agreement that contains, in all material respects, the information required to be included therein under Section 5(b) of this Disclosure Agreement, which failure shall, in all cases, be deemed material under federal securities laws.

(b) The District shall give, or cause to be given, notice of the occurrence of any of the above subsection (a) Listed Events to the Dissemination Agent in writing in sufficient time in order to allow the Dissemination Agent to file notice of the occurrence of such Listed Event in a timely manner not in excess of ten (10) Business Days after its occurrence, with the exception of the Listed Event described in Section 6(a)(xv), which notice will be given in a timely manner. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (d) below. Such notice shall identify the Listed Event that has occurred, include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Dissemination Agent to disseminate the information (provided that such date is not later than the tenth (10th) Business Day after the occurrence of the Listed Event or such shorter period as required by this Disclosure Agreement, except with respect to a Listed Event described in Section 6(a)(xv), in which event such date for dissemination shall be in a timely manner but not to exceed thirty (30) days after the occurrence of the Listed Event).

(c) Intentionally omitted.

(d) If the Dissemination Agent has been instructed by the District to report the occurrence of a Listed Event, the Dissemination Agent shall immediately file a notice of such occurrence with each Repository.

Section 7. Termination of this Disclosure Agreement. This Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

Section 8. Dissemination Agent. Upon termination of the Dissemination Agent's services as Dissemination Agent, whether by notice of the Issuer or the Dissemination Agent as provided herein, the Issuer agrees to appoint a successor Dissemination Agent or, alternatively, agrees to assume all responsibilities of Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. If at any time there is not any other designated Dissemination Agent, the District shall be deemed to be the Dissemination Agent. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable until payment in full for any and all sums owed and payable to the Dissemination Agent hereunder. The initial Dissemination Agent shall be Special District Services, Inc.. The acceptance of such designation is evidenced by the execution of this Disclosure Agreement by a duly authorized signatory of Special District Services, Inc. The Dissemination Agent may terminate its role as Dissemination Agent at any time upon delivery of written notice to the District. The District may terminate the Dissemination Agent's role as Dissemination Agent at any time upon delivery of written notice to the Dissemination Agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the District and the Dissemination Agent may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, acceptable to the District, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the District shall describe such amendment and/or waiver in the next Annual Report and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change in accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements: (i) notice of such change shall be given in the same manner as for a Listed Event under Section 6(b); and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the District shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the District, the Disclosure Representative or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the request of any Participating Underwriter or the Beneficial Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and receipt of indemnity satisfactory to the Trustee, shall), or any Beneficial Owner of a Bond may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the District, the Disclosure Representative or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. No default hereunder shall be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of

the District, the Disclosure Representative or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

Section 12. Duties of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement between the District and such Dissemination Agent. The Dissemination Agent shall have no obligation to notify any other party hereto of an event that may constitute a Listed Event. The District and the Disclosure Representative covenant that they will supply, in a timely fashion, any information reasonably requested by the Dissemination Agent that is necessary in order for the Dissemination Agent to carry out its duties under this Disclosure Agreement. The District and the Disclosure Representative acknowledge and agree that the information to be collected and disseminated by the Dissemination Agent will be provided by the District, the Disclosure Representative and others. The Dissemination Agent's duties do not include authorship or production of any materials, and the Dissemination Agent shall have no responsibility hereunder for the content of the information provided to it by the District or the Disclosure Representative as thereafter disseminated by the Dissemination Agent. Any filings under this Disclosure Agreement made to the MSRB through EMMA shall be in an EMMA Compliant Format.

Section 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the District, the Disclosure Representative, the Dissemination Agent, the Trustee, the Participating Underwriter and the Beneficial Owners of the Bonds (the Dissemination Agent, Participating Underwriter and Beneficial Owners of the Bonds being hereby deemed express third party beneficiaries of this Disclosure Agreement), and shall create no rights in any other person or entity.

Section 14. Counterparts. This Disclosure Agreement may be executed in several counterparts and by PDF signatures, each of which shall be considered an original and all of which shall constitute but one and the same instrument.

Section 15. Tax Roll and Budget. Upon request, the District, through its District Manager if applicable, agrees to provide the Dissemination Agent, the Trustee or any Bondholder with a certified copy of the most recent tax roll provided to the Sarasota County Tax Collector and the District's most recent adopted budget.

Section 16. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Florida and Federal law and venue shall be in Sarasota County, Florida.

Section 17. Trustee Cooperation. The District represents that the Dissemination Agent is a bona fide agent of the District and the District instructs the Trustee to deliver to the Dissemination Agent at the expense of the District, any information or reports the Dissemination Agent requests in writing.

Section 18. Binding Effect. This Disclosure Agreement shall be binding upon each party to this Disclosure Agreement and upon each successor and assignee of each party to this Disclosure Agreement and shall inure to the benefit of, and be enforceable by, each party to this Disclosure Agreement and each successor and assignee of each party to this Disclosure Agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the undersigned have executed this Disclosure Agreement as of the date and year set forth above.

WEST VILLAGES IMPROVEMENT DISTRICT

ATTEST:

Assistant Secretary

By: _____
Chairperson, Board of Supervisors

SPECIAL DISTRICT SERVICES, INC., a Florida corporation, as Dissemination Agent

By: _____
Name:
Title:

Consented to and agreed to by:
SPECIAL DISTRICT SERVICES, INC., as District Manager

Acknowledged and agreed to for purposes of Sections 11, 13 and 17 only:

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT A

FORM OF NOTICE TO REPOSITORIES OF FAILURE TO FILE [ANNUAL REPORT][AUDITED FINANCIAL STATEMENTS][QUARTERLY REPORT]

Name of Issuer: West Villages Improvement District

Name of Bond Issue: \$_____ original aggregate principal amount of West Villages Improvement District (City of North Port, Florida) Special Assessment Revenue Refunding Bonds, Series 2017 (Unit of Development No. 3) (the "Bonds")

Date of Issuance: August __, 2017

CUSIP Numbers: _____

NOTICE IS HEREBY GIVEN that the Issuer has not provided an [Annual Report] [Audited Financial Statements][Quarterly Report] with respect to the above-named Bonds as required by Section [3][5] of the Continuing Disclosure Agreement dated August __, 2017. The Issuer has advised the undersigned that it anticipates that the [Annual Report] [Audited Financial Statements][Quarterly Report] will be filed by _____, 20____.

Dated: _____

_____, as Dissemination Agent

By: _____
Name: _____
Title: _____

cc: Issuer
Trustee

ESCROW DEPOSIT AGREEMENT

ESCROW DEPOSIT AGREEMENT, dated _____, 2017 by and between the **WEST VILLAGES IMPROVEMENT DISTRICT** (the "**District**"), a duly constituted and existing independent special district under the laws of the State of Florida, and **U.S. BANK NATIONAL ASSOCIATION** (the "**Escrow Agent**"), a national banking association organized and existing under the laws of the United States of America, as Escrow Agent hereunder.

WHEREAS, the District has previously issued its Special Assessment Bonds, Series 2006 (Unit of Development No. 3) (the "2006 Bonds") pursuant to a Master Trust Indenture dated as of April 1, 2006 (the "Master Indenture") as supplemented by a First Supplemental Trust Indenture dated as of April 1, 2006, (the "First Supplemental Indenture") both between the District and U.S. Bank National Association as trustee (the First Supplemental Indenture, together with the Master Indenture, the "Indenture"); and

WHEREAS, Sections 16.01 and 16.02 of the Master Indenture provides that Bonds shall be deemed to have been paid within the meaning and with the effect expressed therein upon compliance by the District with the provisions thereof, which provisions the District hereby represents have not been amended or supplemented; and

WHEREAS, the District has determined to issue, pursuant to the Master Indenture and a Second Supplemental Trust Indenture dated as of August 1, 2017, by and between the District and the Escrow Agent, as Trustee (in such capacity, the "Trustee"), its \$_____ aggregate principal amount of Special Assessment Revenue Refunding Bonds, Series 2017 (Unit of Development No. 3) (the "2017 Bonds") for the principal purpose of refunding and together with other legally available moneys, defeasing as provided herein all of the outstanding 2006 Bonds (the "Refunded Bonds"); and

WHEREAS, a portion of the proceeds of the 2017 Bonds together with other legally available moneys of the District will be deposited in the Escrow Fund created pursuant to Section 4 hereof in an amount sufficient without reinvestment to pay the Refunded Bonds as provided herein and to discharge and satisfy the covenants, agreements and other obligations of the District in regard to such Refunded Bonds; and

WHEREAS, the issuance of the 2017 Bonds, the deposit of such cash into the Escrow Fund to be held by the Escrow Agent and the discharge and satisfaction of the covenants, agreements and other obligations of the District in regard to the Refunded Bonds shall occur as a simultaneous transaction; and

WHEREAS, this Agreement is intended to effectuate such simultaneous transaction.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. The recitals stated above are true and correct and incorporated herein.

ESCROW DEPOSIT AGREEMENT

ESCROW DEPOSIT AGREEMENT, dated _____, 2017 by and between the **WEST VILLAGES IMPROVEMENT DISTRICT** (the "**District**"), a duly constituted and existing independent special district under the laws of the State of Florida, and **U.S. BANK NATIONAL ASSOCIATION** (the "**Escrow Agent**"), a national banking association organized and existing under the laws of the United States of America, as Escrow Agent hereunder.

WHEREAS, the District has previously issued its Special Assessment Bonds, Series 2006 (Unit of Development No. 3) (the "2006 Bonds") pursuant to a Master Trust Indenture dated as of April 1, 2006 (the "Master Indenture") as supplemented by a First Supplemental Trust Indenture dated as of April 1, 2006, (the "First Supplemental Indenture") both between the District and U.S. Bank National Association as trustee (the First Supplemental Indenture, together with the Master Indenture, the "Indenture"); and

WHEREAS, Sections 16.01 and 16.02 of the Master Indenture provides that Bonds shall be deemed to have been paid within the meaning and with the effect expressed therein upon compliance by the District with the provisions thereof, which provisions the District hereby represents have not been amended or supplemented; and

WHEREAS, the District has determined to issue, pursuant to the Master Indenture and a Second Supplemental Trust Indenture dated as of August 1, 2017, by and between the District and the Escrow Agent, as Trustee (in such capacity, the "Trustee"), its \$_____ aggregate principal amount of Special Assessment Revenue Refunding Bonds, Series 2017 (Unit of Development No. 3) (the "2017 Bonds") for the principal purpose of refunding and together with other legally available moneys, defeasing as provided herein all of the outstanding 2006 Bonds (the "Refunded Bonds"); and

WHEREAS, a portion of the proceeds of the 2017 Bonds together with other legally available moneys of the District will be deposited in the Escrow Fund created pursuant to Section 4 hereof in an amount sufficient without reinvestment to pay the Refunded Bonds as provided herein and to discharge and satisfy the covenants, agreements and other obligations of the District in regard to such Refunded Bonds; and

WHEREAS, the issuance of the 2017 Bonds, the deposit of such cash into the Escrow Fund to be held by the Escrow Agent and the discharge and satisfaction of the covenants, agreements and other obligations of the District in regard to the Refunded Bonds shall occur as a simultaneous transaction; and

WHEREAS, this Agreement is intended to effectuate such simultaneous transaction.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. The recitals stated above are true and correct and incorporated herein.

2. Receipt of true and correct copies of the above-mentioned Indenture is hereby acknowledged by the Escrow Agent. The applicable and necessary provisions of the Indenture, in particular Sections 16.01 or 16.02 of the Master Indenture thereof are incorporated herein by reference. The Escrow Agent also acknowledges receipt of, but makes no representation regarding the accuracy of, the Report of _____ dated _____, 2017 (the "Accountant's Certificate") indicating that sufficient cash has been deposited into the Escrow Fund to provide for all payments due on the Refunded Bonds through the redemption date of _____, 2017. Upon such deposit, the obligations of the District to the owners and beneficial owners of the Refunded Bonds under the Indenture, but not under this Agreement, shall be discharged and satisfied.

3. In accordance with the Indenture, the District by this Agreement exercises the option to have the covenants, agreements and other obligations of the District to the holders of the Refunded Bonds under the Indenture discharged and satisfied.

4. There is hereby created and established with the Escrow Agent a special, segregated and irrevocable escrow fund designated the "West Villages Improvement District 2006 Bonds Escrow Deposit Fund" (the "Escrow Fund"), which Escrow Fund is to be held in the custody of the Escrow Agent as an escrow fund for the benefit of the holders of the Refunded Bonds as provided more specifically below, separate and apart from other funds of the District and the Escrow Agent. The Escrow Agent hereby acknowledges the receipt of and deposit hereunder of the sum of \$_____ in immediately available funds received by the District from the sale and delivery of the 2017 Bonds and other legally available moneys (the "Escrow Proceeds").

5. In reliance upon the Accountant's Certificate, the District represents and warrants that the deposit made pursuant to Section 4 is sufficient to pay the principal of and interest due on the Refunded Bonds as described in **Schedule "A"** attached hereto. If such deposit shall be insufficient to make such payments, the District shall timely deposit in the Escrow Fund, solely from legally available funds of the District, such additional amounts as may be required to pay the Refunded Bonds as described in **Schedule "A"** hereto. Notice of any insufficiency shall be given by the Escrow Agent to the District as promptly as possible, but the Escrow Agent shall in no manner be responsible for the District's failure to make such deposits.

6. The deposit in the Escrow Fund shall constitute deposit of moneys with the Escrow Agent solely for the payment of the principal and interest on the Refunded Bonds at such time and in such amounts as set forth in **Schedule "A"** hereto, and such deposit shall be used solely for such purposes. The deposit in the Escrow Fund shall be held uninvested.

7. The District hereby directs, and the Escrow Agent hereby agrees, that it will undertake the timely transfer of money to the Paying Agent for the Refunded Bonds or any successors or assigns thereto (collectively, the "Refunded Bonds Paying Agent") in accordance with **Schedule "A"** attached hereto, in order to effectuate this Agreement and to pay the Refunded Bonds in the amount and at the time provided in said **Schedule "A"**. The liability of the Escrow Agent to make such transfer for the payment of the principal and

interest on the Refunded Bonds pursuant to this Agreement shall be limited to the application of amounts available for such purposes in the Escrow Fund.

8. The District hereby directs the Escrow Agent as the registrar for the Refunded Bonds to give the notice or notices required by the Indenture in connection with the redemption and defeasance of the Refunded Bonds. All of the Refunded Bonds shall be redeemed on _____, 2017 at 100% of the principal amount thereof plus accrued interest to such redemption date.

9. Concurrently with the deposit set forth in Section 4 hereof, the Refunded Bonds are hereby deemed to have been paid in full within the meaning and with the effect expressed in the Indenture, and the Indenture as it applies to the Refunded Bonds shall be deemed to have been terminated except for the provisions thereof that survive termination.

10. The Escrow Fund hereby created shall be irrevocable and the holders of the Refunded Bonds shall have an express lien on all cash deposited in the Escrow Fund pursuant to the terms hereof until paid out, used and applied in accordance with this Agreement. Neither the District nor the Escrow Agent shall cause, and the District will not permit any other lien or interest to be imposed upon the Escrow Funds.

11. This Agreement is made for the benefit of the District and the holders from time to time of the Refunded Bonds and the holder of the 2017 Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such holders, the Escrow Agent and the District provided, however, that the District and the Escrow Agent may, without the consent of, or notice to, such holders enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Agreement;
- (b) to grant, or confer upon, the Escrow Agent for the benefit of the holders of the Refunded Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and
- (c) to subject to this Agreement additional funds, securities or properties.

The Escrow Agent shall be entitled to rely exclusively upon an unqualified opinion of nationally recognized bond counsel with respect to compliance with this Section 11, including the extent, if any, to which any change, modification or addition affects the rights of the holders of the Refunded Bonds, or that any instrument executed hereunder complies with the conditions and provisions of this Section 11.

12. The Escrow Agent is charging an agreed to fee for performing under this Agreement in the amount of \$_____ which shall be paid by the District. The District shall pay any expenses associated with the performance by the Escrow Agent of any extraordinary services hereunder requested by the District, which are payable by the District upon

presentation of an invoice therefor from the Escrow Agent. The Escrow Agent shall have no lien whatsoever upon any of the cash in said Escrow Fund and no right to apply any of the cash in said Escrow Fund for the payment of such fees and expenses.

13. The Escrow Agent shall not be liable in connection with the performance of its duties hereunder except for its own negligence, misconduct or default. The Escrow Agent shall not be liable for the accuracy of the calculations as to the sufficiency of the deposit to the Escrow Fund to pay the Refunded Bonds. So long as the Escrow Agent applies the moneys deposited pursuant to Section 4 hereof to pay the Refunded Bonds as provided herein, and complies fully with the terms of this Agreement, the Escrow Agent shall not be liable for any deficiencies in the amounts necessary to pay the Refunded Bonds caused by such calculations. Notwithstanding any provision herein to the contrary, in no event shall the Escrow Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

The duties and obligations of the Escrow Agent shall be determined by the express provisions of this Agreement and no implied warrants or obligations shall be read into this Agreement against the Escrow Agent. The Escrow Agent may consult with counsel with respect to any extraordinary matter relevant to this Agreement, who may or may not be counsel to the District, and be entitled to receive from the District reimbursement of the reasonable fees and expenses of such counsel, and in reliance upon the opinion of such counsel have full and complete authorization in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the District and the Escrow Agent may in good faith conclusively rely upon such certificate.

The Escrow Agent may conclusively rely upon any notice, order, requisition, request, consent, certificate, order, opinion (including an opinion of counsel), affidavit, letter, telegram or other paper or document in good faith deemed by it to be genuine and correct and to have been signed or sent by the proper person or persons. Any payment obligation of the Escrow Agent hereunder shall be paid from, and is limited to funds available, established and maintained hereunder; the Escrow Agent shall not be required to expend its own funds for the performance of its duties hereunder. The Escrow Agent may act through its agents and attorneys and shall not be responsible for any misconduct or negligence on the part of any such person so appointed with due care. The Escrow Agent shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; hurricanes or other storms; wars; terrorism; similar military disturbances; sabotage; epidemic; pandemic; riots; interruptions; loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Escrow Agent shall use commercially reasonable efforts which are

consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

The District further agrees to the extent allowable by law and specifically without waiving any of its sovereign immunity protections set forth in Section 768.28, Florida Statutes, and other Florida law, to indemnify and save the Escrow Agent harmless, to the extent allowed by law, against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder, and which are not due to Escrow Agent's negligence, misconduct or default. The Escrow Agent's rights under Sections 12 and 13 hereof shall survive the termination of this Agreement and/or the sooner resignation or removal of the Escrow Agent and shall inure to the benefit of the Escrow Agent's successors and assigns.

14. The Escrow Agent, at the time acting hereunder, may at any time resign and be discharged from the duties and obligations hereby created by giving not less than ten (10) days written notice to the District and mailing notice thereof, specifying the date when such resignation will take effect to the holders of all Refunded Bonds then outstanding, but no such resignation shall take effect unless a successor Escrow Agent shall have been appointed by the holders of a majority in aggregate principal amount of the Refunded Bonds then outstanding or by the District as hereinafter provided and such successor Escrow Agent shall have accepted such appointment, in which event such resignation shall take effect immediately upon the appointment and acceptance of a successor Escrow Agent.

The Escrow Agent may be removed at any time by an instrument or concurrent instruments in writing, delivered to the Escrow Agent and to the District and signed by the holders of a majority in aggregate principal amount of the Refunded Bonds then outstanding.

In the event the Escrow Agent hereunder shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case the Escrow Agent shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the holders of a majority in aggregate principal amount of the Refunded Bonds then outstanding by an instrument or concurrent instruments in writing, signed by such holders, or by their attorneys in fact, duly authorized in writing; provided, nevertheless, that in any such event, the District shall appoint a temporary Escrow Agent to fill such vacancy until a successor Escrow Agent shall be appointed by the holders of a majority in aggregate principal amount of the Refunded Bonds then outstanding in the manner above provided, and any such temporary Escrow Agent so appointed by the District shall immediately and without further act be superseded by the Escrow Agent so appointed by such holders.

In the event that no appointment of a successor Escrow Agent or a temporary successor Escrow Agent shall have been made by such holders or the District pursuant to the foregoing provisions of this Section 14 within ten (10) days after written notice of resignation of the Escrow Agent has been given to the District, the holder of any of the Refunded Bonds or any retiring Escrow Agent may apply to any court of competent jurisdiction for the

appointment of a successor Escrow Agent, and such court may thereupon, after such notice, if any, as it shall deem proper, appoint a successor Escrow Agent.

No successor Escrow Agent shall be appointed unless such successor Escrow Agent shall be a corporation with trust powers organized under the banking laws of the United States or any state thereof, and shall have at the time of appointment capital and surplus of not less than \$75,000,000.

Every successor Escrow Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the District an instrument in writing accepting such appointment hereunder and thereupon such successor Escrow Agent, without any further act, deed or conveyance, shall become fully vested with all the rights, immunities, powers, duties and obligations of its predecessor; but such predecessor shall nevertheless, on the written request of such successor Escrow Agent or the District execute and deliver an instrument transferring to such successor Escrow Agent all the estates, properties, rights and powers of such predecessor hereunder except for such predecessor's rights under Sections 12 and 13 hereof; and every predecessor Escrow Agent shall deliver all securities and moneys held by it to its successor; provided, however, that before any such delivery is required to be made, all due fees, advances and expenses of the retiring or removed Escrow Agent shall be paid in full. Should any transfer, assignment or instrument in writing from the District be required by any successor Escrow Agent for more fully and certainly vesting in such successor Escrow Agent the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Escrow Agent, any such transfer, assignment and instruments in writing shall, on request, be executed, acknowledged and delivered by the District.

Any corporation into which the Escrow Agent, or any successor as Escrow Agent under this Agreement, may be merged or converted or with which it or any successor to it may be consolidated, or transfers all or substantially all of its corporate trust business to, or any corporation resulting from any merger, conversion or consolidation to which the Escrow Agent or any successor to it shall be a party, shall be the successor Escrow Agent under this Agreement without the execution or filing of any paper or any other act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

15. This Agreement, except as otherwise provided herein, shall terminate when all transfers and payments required to be made by the Escrow Agent under the provisions hereof shall have been made. Upon such termination, all moneys remaining in the Escrow Fund shall be released to the District.

16. This Agreement shall be governed by the applicable laws of the State of Florida without regard to conflict of law principles.

17. If any one or more of the covenants or agreements provided in this Agreement on the part of the District or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein

contained and shall in no way affect the validity of the remaining provisions of this Agreement.

18. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

19. The Issuer will not accelerate the maturity of any Refunded Bonds or exercise any option to redeem any Refunded Bonds except as set forth in Section 8 hereof.

20. Any notice, authorization, request or demand required or permitted to be given in accordance with the terms of this Agreement shall be in writing and sent by registered or certified mail addressed to:

West Villages Improvement District
c/o District Manager
2501A Burns Road
Palm Beach Gardens, FL 33410

U.S. Bank National Association
550 W. Cypress Road, Suite 380
Ft. Lauderdale, FL 33309
Attention: Scott A. Schuhle

IN WITNESS WHEREOF, the parties hereto have each caused this Escrow Deposit Agreement to be executed by their duly authorized officers and appointed officials and in the case of the District, its seal to be hereunder affixed and attested as of the date first above written.

**WEST VILLAGES IMPROVEMENT
DISTRICT**

(SEAL)

ATTEST:

By: _____
Chairman

Secretary

*(Signature page of Escrow Deposit Agreement dated _____, 2017
re: West Villages Improvement District – Unit No. 3)*

**U.S. BANK NATIONAL ASSOCIATION, as
Escrow Agent**

By: _____
Vice President

SCHEDULE A

<u>Payment Date</u>	<u>Redeemed Principal</u>	<u>Interest</u>	<u>Total</u>
_____, 2017	\$	\$	\$