
JPWard and Associates LLC

TOTAL Commitment to Excellence

Flow Way

Community Development District

Board of Supervisors

November 10, 2015



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FLOW WAY COMMUNITY DEVELOPMENT DISTRICT

November 5, 2015

Board of Supervisors
Flow Way Community Development District

Dear Board Members:

The Regular Meeting of the Board of Supervisors of the Flow Way Community Development District will be held on **Tuesday, November 10, 2015 at 3:00 p.m.** at the **offices of Coleman, Yovanovich & Koester, P.A., 4001 Tamiami Trail North, Suite 300, Naples, Florida 34103.**

1. Call to Order & Roll Call

2. CONSIDERATION OF RESOLUTION 2016-3 OF THE BOARD OF SUPERVISORS OF FLOW WAY COMMUNITY DEVELOPMENT DISTRICT AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$5,800,000 AGGREGATE PRINCIPAL AMOUNT OF ITS FLOW WAY COMMUNITY DEVELOPMENT DISTRICT SPECIAL ASSESSMENT BONDS, SERIES 2015 (PHASE 4 PROJECT), IN ONE OR MORE SERIES (THE "SERIES 2015 BONDS"); DETERMINING CERTAIN DETAILS OF THE SERIES 2015 BONDS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A THIRD SUPPLEMENTAL TRUST INDENTURE; AUTHORIZING THE NEGOTIATED SALE OF THE SERIES 2015 BONDS; APPOINTING THE UNDERWRITER; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE CONTRACT WITH RESPECT TO THE SERIES 2015 BONDS AND AWARDING THE SERIES 2015 BONDS TO THE UNDERWRITER NAMED THEREIN PURSUANT TO THE PARAMETERS SET FORTH IN THIS RESOLUTION; APPROVING THE FORM OF AND AUTHORIZING THE DISTRIBUTION OF THE PRELIMINARY LIMITED OFFERING MEMORANDUM AND ITS USE BY THE UNDERWRITER IN CONNECTION WITH THE OFFERING FOR SALE OF THE SERIES 2015 BONDS AND APPROVING THE EXECUTION AND DELIVERY OF A FINAL LIMITED OFFERING MEMORANDUM; AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE AGREEMENT AND THE APPOINTMENT OF A DISSEMINATION AGENT, A TRUE UP AGREEMENT, AN ACQUISITION AGREEMENT, AN ASSIGNMENT AGREEMENT, AND A COMPLETION AGREEMENT; PROVIDING FOR THE APPLICATION OF SERIES 2015 BOND PROCEEDS; AUTHORIZING THE PROPER OFFICIALS TO DO ALL THINGS DEEMED NECESSARY IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF THE SERIES 2015 BONDS; MAKING CERTAIN DECLARATIONS; APPOINTING A TRUSTEE; PROVIDING FOR THE REGISTRATION OF THE BONDS PURSUANT TO THE DTC BOOK-ENTRY SYSTEM; PROVIDING AN EFFECTIVE DATE AND FOR OTHER PURPOSES.

3. Staff Reports
 - a) District Attorney
 - b) District Engineer
 - c) District Manager



James P. Ward
District Manager

2041 NORTHEAST 6TH TERRACE
WILTON MANORS, FL. 33305
PHONE (954) 658-4900
E-MAIL ward9490@comcast.net

4. Supervisor's Requests and Audience Comments
5. Adjournment

The balance of the Agenda is standard in nature and I look forward to seeing you at the meeting, and if you have any questions and/or comments, please do not hesitate to contact me directly at (954) 658-4900.

Flow Way Community Development District



James P. Ward
District Manager
Enclosures

The Fiscal Year 2016 schedule is as follows:

October 6, 2015	November 10, 2015
December 8, 2015	January 12, 2016
February 9, 2016	March 8, 2016
April 12, 2016	May 10, 2016
June 14, 2016	July 12, 2016
August 9, 2016	September 3, 2016



James P. Ward
District Manager

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RESOLUTION 2016-3

A RESOLUTION OF THE BOARD OF SUPERVISORS OF FLOW WAY COMMUNITY DEVELOPMENT DISTRICT AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$5,800,000 AGGREGATE PRINCIPAL AMOUNT OF ITS FLOW WAY COMMUNITY DEVELOPMENT DISTRICT SPECIAL ASSESSMENT BONDS, SERIES 2015 (PHASE 4 PROJECT), IN ONE OR MORE SERIES (THE "SERIES 2015 BONDS"); DETERMINING CERTAIN DETAILS OF THE SERIES 2015 BONDS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A THIRD SUPPLEMENTAL TRUST INDENTURE; AUTHORIZING THE NEGOTIATED SALE OF THE SERIES 2015 BONDS; APPOINTING THE UNDERWRITER; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE CONTRACT WITH RESPECT TO THE SERIES 2015 BONDS AND AWARDED THE SERIES 2015 BONDS TO THE UNDERWRITER NAMED THEREIN PURSUANT TO THE PARAMETERS SET FORTH IN THIS RESOLUTION; APPROVING THE FORM OF AND AUTHORIZING THE DISTRIBUTION OF THE PRELIMINARY LIMITED OFFERING MEMORANDUM AND ITS USE BY THE UNDERWRITER IN CONNECTION WITH THE OFFERING FOR SALE OF THE SERIES 2015 BONDS AND APPROVING THE EXECUTION AND DELIVERY OF A FINAL LIMITED OFFERING MEMORANDUM; AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE AGREEMENT AND THE APPOINTMENT OF A DISSEMINATION AGENT, A TRUE UP AGREEMENT, AN ACQUISITION AGREEMENT, AN ASSIGNMENT AGREEMENT, AND A COMPLETION AGREEMENT; PROVIDING FOR THE APPLICATION OF SERIES 2015 BOND PROCEEDS; AUTHORIZING THE PROPER OFFICIALS TO DO ALL THINGS DEEMED NECESSARY IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF THE SERIES 2015 BONDS; MAKING CERTAIN DECLARATIONS; APPOINTING A TRUSTEE; PROVIDING FOR THE REGISTRATION OF THE BONDS PURSUANT TO THE DTC BOOK-ENTRY SYSTEM; PROVIDING AN EFFECTIVE DATE AND FOR OTHER PURPOSES.

WHEREAS, Flow Way Community Development District (the "District") is a local unit of special-purpose government organized and existing in accordance with the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), created by Ordinance No. 02-09 of the Board of County Commissioners of Collier County, Florida (the "County"), enacted on February 26, 2002, and effective on March 4, 2002;

WHEREAS, the District was created for the purpose of delivering certain community development services and facilities within and outside its jurisdiction, and the District has decided to undertake the design, acquisition and construction of exterior landscaping improvements, water and wastewater improvements, stormwater management improvements, environmental preservation and mitigation and off-site roadway improvements pursuant to the Act (the "Project");

WHEREAS, the District duly adopted Resolution No. 2013-16 on June 11, 2013 (the "Initial Resolution"), authorizing, among other things, the issuance in one or more series of not to exceed \$45,000,000 aggregate principal amount of its Special Assessment Bonds; and

WHEREAS, the District has determined to issue its Flow Way Community Development District Special Assessment Bonds, Series 2015 (Phase 4 Project), in one or more series, (the "Series 2015 Bonds"), for the purpose, among other things, of providing funds for the payment of the costs of a portion of the District's Capital Improvement Program as adopted pursuant to Resolution No. 2013-21 adopted by the District on September 12, 2013 (the "Phase 4 Project"); and

WHEREAS, there has been submitted to this meeting with respect to the issuance and sale of the Series 2015 Bonds and submitted to the Board:

(i) a copy of the form of Third Supplemental Trust Indenture ("Third Supplement") between U.S. Bank National Association, as successor Trustee (the "Trustee") and the District attached hereto as **Exhibit A** (the Third Supplement together with the Master Trust Agreement dated as of December 1, 2013, are collectively referred to herein as the "Indenture"); and

(ii) a form of Bond Purchase Contract with respect to the Series 2015 Bonds between FMSbonds, Inc. (the "Underwriter") and the District attached hereto as **Exhibit B** (the "Bond Purchase Contract"), together with the form of disclosure statements attached to the Bond Purchase Contract in accordance with Section 218.385, Florida Statutes; and

(iii) the form of Preliminary Limited Offering Memorandum attached hereto as **Exhibit C** (the "Preliminary Limited Offering Memorandum"); and

(iv) a form of Continuing Disclosure Agreement (the "Continuing Disclosure Agreement"), among the District, Taylor Morrison Esplanade Naples, LLC (the "Developer"), and Lerner Reporting Services, Inc., as dissemination agent, attached hereto as **Exhibit D**; and

(v) a form of Agreement Between Flow Way Community Development District and the Developer Regarding the True-Up and Payment of Phase 4 Project Assessments (the "True-Up Agreement") between the District and the Developer, attached hereto as **Exhibit E**; and

(vi) a form of Agreement Regarding the Acquisition of Certain Work Product, Infrastructure and Real Property (the "Acquisition Agreement") between the District and the Developer, attached hereto as **Exhibit F**; and

(vii) a form of Collateral Assignment and Assumption of Development and Contract Rights Relating to the Phase 4 Project (the "Assignment Agreement") between the District and the Developer, attached hereto as **Exhibit G**; and

(viii) a form of Agreement Regarding the Completion of Certain Improvements (the "Completion Agreement") between the District and the Developer, attached hereto as **Exhibit H**.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of Flow Way Community Development District, as follows:

Section 1. Authorization, Designation and Principal Amount of the Series 2015 Bonds. There are hereby authorized and directed to be issued the District's Flow Way Community Development District Special Assessment Bonds, Series 2015 (Phase 4 Project), in one or more series (the "Series 2015 Bonds"), in the aggregate principal amount of not to exceed \$5,800,000, for the purposes, among others, of providing funds for the payment of a portion of the costs of the Phase 4 Project. The purchase price of the Series 2015 Bonds shall be received and receipted by the District, or the Trustee on behalf of the District, and the Trustee shall apply the proceeds of the Series 2015 Bonds as set forth in the Indenture and the Limited Offering Memorandum (as defined below).

Section 2. Designation of Attesting Members. The Chair or the Secretary of the Board of Supervisors (the "Board") of the District, or in the case of the absence of either or the inability to act of either, the Vice Chair or Assistant Secretaries and members of the Board (each individually a "Designated Member"), are hereby designated and authorized on behalf of the Board to attest to the seal of the Board and to the signature of the Chair or Vice Chair of the Board as they appear on the Series 2015 Bonds, the Indenture and any other documents which may be necessary or helpful in connection with the issuance and delivery of the Series 2015 Bonds and in connection with the application of the proceeds thereof.

Section 3. Details of the Series 2015 Bonds. The District hereby determines that the Series 2015 Bonds shall be dated, have such interest payment dates, have such maturities, have such redemption provisions and bear interest at such rates, all as provided in the Bond Purchase Contract and the Limited Offering Memorandum.

Section 4. Supplemental Trust Indenture. The District hereby approves and authorizes the execution by the Chair or any Designated Member and the Secretary and the

delivery of the Third Supplement in substantially the form thereof attached hereto as **Exhibit A**, with such changes therein as shall be approved by the Chair or Designated Member executing the same, with such execution to constitute conclusive evidence of such officer's approval and the District's approval of any changes therein from the form of and Third Supplement attached hereto.

Section 5. Appointment of Underwriter; Negotiated Sale. fmsbonds, Inc. is hereby appointed the underwriter of the Series 2015 Bonds (the "Underwriter"). The Series 2015 Bonds shall be sold by a negotiated sale to the Underwriter. It is hereby determined by the District that a negotiated sale of the Series 2015 Bonds to the Underwriter will best effectuate the purposes of the Act, is in the best interest of the District and is necessitated by, in general, the characteristics of the issue and prevailing market conditions and specifically, the following additional reasons: (i) because of the complexity of the financing structure of the Series 2015 Bonds and the institutional market for unrated securities such as the Series 2015 Bonds, it is desirable to sell the Series 2015 Bonds pursuant to a negotiated sale so as to have an underwriter involved from the outset of the financing to assist in these matters; (ii) because of changing market conditions for tax-exempt bonds and the necessity of being able to adjust the terms of the Series 2015 Bonds, it is in the best interests of the District to sell the Series 2015 Bonds by a negotiated sale; (iii) the Underwriter has participated in structuring the issuance of the Series 2015 Bonds and can assist the District in attempting to obtain the most attractive financing for the District; and (iv) the District will not be adversely affected if the Series 2015 Bonds are not sold pursuant to a competitive sale.

Section 6. Bond Purchase Contract.

██████████ The District hereby approves the form of the Bond Purchase Contract submitted by the Underwriter and attached as **Exhibit B** hereto, and the sale of the Series 2015 Bonds by the District upon the terms and conditions to be set forth in the Bond Purchase Contract and in compliance with (ii) below are hereby approved. Provided the provisions of subparagraph (ii) have been complied with, the Chair or a Designated Member are each hereby authorized, acting individually, to execute the Bond Purchase Contract and to deliver the Bond Purchase Contract to the Underwriter. The Bond Purchase Contract shall be in substantially the form of the Bond Purchase Contract attached hereto as **Exhibit C** with such changes, amendments, modifications, omissions and additions as may be approved by the Chair or the Designated Member. The disclosure statements of the Underwriter as required by Section 218.385 of the Florida Statutes, to be delivered to the District prior to the execution of the Bond Purchase Contract, a copy of which is attached as an exhibit to the Bond Purchase Contract will be entered into the official records of the District. Execution by the Chair or a Designated Member of the Bond Purchase Contract shall be deemed to be conclusive evidence of approval of such changes;

██████████ Receipt by the Chair of a written offer to purchase the Series 2015 Bonds by the Underwriter substantially in the form of the Bond Purchase Contract, said offer to

provide for, among other things, (A) the issuance of not exceeding \$5,800,000 initial aggregate principal amount of Series 2015 Bonds at an interest rate of not to exceed the rate computed by adding 300 basis points to the Bond Buyer "20 Bond Index" published immediately preceding the first day of the calendar month in which the Series 2015 Bonds are sold, (B) a price of not less than 97.5%, excluding original issue discount, of the par amount of the Series 2015 Bonds, (C) the final maturity of the Series 2015 Bonds shall not be later than November 1, 2048, and (D) the Series 2015 Bonds shall be subject to an optional call by the District no later than November 1, 2029.

Section 7. Preliminary Limited Offering Memorandum; Final Limited Offering Memorandum. The District hereby authorizes and approves the distribution and use of the Preliminary Limited Offering Memorandum in substantially the form submitted to this meeting and attached hereto as **Exhibit C** in connection with the limited offering for sale of the Series 2015 Bonds. The preparation of a final Limited Offering Memorandum is hereby approved and the Chair or any Designated Member is hereby authorized to execute such final Limited Offering Memorandum to be dated the date of the award of the Series 2015 Bonds, and upon such award, to deliver the same to the Underwriter for use by it in connection with the sale and distribution of the Series 2015 Bonds. The Limited Offering Memorandum shall be substantially in the form as the Preliminary Limited Offering Memorandum, with such changes as shall be approved by the Chair or Designated Member as necessary to conform to the details of the Series 2015 Bonds, the Bond Purchase Contract and such other insertions, modifications and changes as may be approved by the Chair or Designated Member. The execution and delivery of the Limited Offering Memorandum by the Chair shall constitute evidence of the approval thereof. The District hereby authorizes the use of the Limited Offering Memorandum and the information contained therein in connection with the offering and sale of the Series 2015 Bonds. The District hereby authorizes the Chair or a Designated Member to deem "final" the Preliminary Limited Offering Memorandum except for permitted omissions all within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934 and to execute a certificate in that regard.

Section 8. Continuing Disclosure. The District does hereby authorize and approve the execution and delivery of a Continuing Disclosure Agreement by the Chair or a Designated Member substantially in the form presented to this meeting and attached hereto as **Exhibit D** with the Dissemination Agent (as defined below) and the Developer. The Continuing Disclosure Agreement is being executed by the District in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5). Lerner Reporting Services, Inc. is hereby appointed as the initial dissemination agent (herein, the "Dissemination Agent").

Section 9. True Up Agreement. The District does hereby authorize and approve the execution and delivery of a True Up Agreement by the Chair or a Designated Member, substantially in the form presented to this meeting and attached hereto as **Exhibit E**, with such changes therein as shall be approved by the Chair or Designated Member executing the same,

with such execution to constitute conclusive evidence of such officer's approval and the District's approval of any changes therein from the True Up Agreement attached hereto.

Section 10. Acquisition Agreement. The District does hereby authorize and approve the execution and delivery of a Acquisition Agreement by the Chair or a Designated Member, substantially in the form presented to this meeting and attached hereto as **Exhibit F**, with such changes therein as shall be approved by the Chair or Designated Member executing the same, with such execution to constitute conclusive evidence of such officer's approval and the District's approval of any changes therein from the Acquisition Agreement attached hereto.

Section 11. Assignment Agreement. The District does hereby authorize and approve the execution and delivery of a Assignment Agreement by the Chair or a Designated Member substantially in the form presented to this meeting and attached hereto as **Exhibit G**, with such changes therein as shall be approved by the Chair or Designated Member executing the same, with such execution to constitute conclusive evidence of such officer's approval and the District's approval of any changes therein from the Assignment Agreement attached hereto.

Section 12. Completion Agreement. The District does hereby authorize and approve the execution and delivery of a Completion Agreement by the Chair or a Designated Member substantially in the form presented to this meeting and attached hereto as **Exhibit H**, with such changes therein as shall be approved by the Chair or Designated Member executing the same, with such execution to constitute conclusive evidence of such officer's approval and the District's approval of any changes therein from the Completion Agreement attached hereto.

Section 13. Appointment of Trustee. U.S. Bank National Association is hereby appointed to serve as Trustee, Paying Agent, Registrar and Authenticating Agent under the Indenture.

Section 14. Application of Bond Proceeds. The proceeds of the Series 2015 Bonds may be applied to (i) pay a portion of the costs of the Phase 4 Project, (ii) pay interest on the Series 2015 Bonds, (iii) fund the Series 2015 Reserve Account of the Reserve Fund, and (iv) pay the costs of issuance of the Series 2015 Bonds.

Section 15. Further Official Action; Ratification of Prior and Subsequent Acts. The Chair, the Secretary and each member of the Board of Supervisors of the District and any other proper official of the District are each hereby authorized and directed to execute and deliver any and all documents and instruments (including, without limitation, any documents required by the Trustee to evidence its rights and obligations with respect to the Series 2015 Bonds, any documents required in connection with implementation of a book-entry system of registration, any other agreements with the Developer and any agreements in connection with maintaining the exclusion of interest on the Series 2015 Bonds from gross income of the holders thereof) and to do and cause to be done any and all acts and things necessary or desirable for carrying out the transactions contemplated by this Resolution. In the event that the Chair or the Secretary is unable to execute and deliver the documents herein contemplated, such documents shall be

executed and delivered by the respective designee of such officer or official or any other duly authorized officer or official of the District. The Secretary or any Assistant Secretary is hereby authorized and directed to apply and attest the official seal of the District to any agreement or instrument authorized or approved herein that requires such a seal and attestation. The Chair or any Designated Member may, among other things, authorize the change of the date of any document accompanying this Resolution as an exhibit or incorporate the information and details related to the sale and pricing of the Series 2015 Bonds including any required changes to the District engineer's report or its assessment methodology. Execution by the Chair or a Designated Member of such document shall be deemed to be conclusive evidence of approval of such change of date or the incorporation of information and details relating to the sale and pricing of the Series 2015 Bonds. All of the acts and doings of such members of the Board, the officers of the District, and the agents and employees of the District, which are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, shall be and are hereby ratified, confirmed and approved.

Section 16. Severability. If any section, paragraph, clause or provision of this Resolution shall be held to be invalid or ineffective for any reason, the remainder of this Resolution shall continue in full force and effect, it being expressly hereby found and declared that the remainder of this Resolution would have been adopted despite the invalidity or ineffectiveness of such section, paragraph, clause or provision.

Section 17. Inconsistent Proceedings. All resolutions or proceedings, or parts thereof, in conflict with the provisions hereof are to the extent of such conflict hereby repealed or amended to the extent of such inconsistency.

Section 18. Engineer's Report. The Board hereby approves of changes to the Engineer's Report previously approved by the Board and also authorizes further revisions and supplements to the Engineer's Report with respect to the marketing and sale of the Series 2015 Bonds relating to the Phase 4 Project.

Section 19. Assessment Methodology Report. The Board authorizes further modifications and supplements to the Assessment Methodology Report previously approved by the Board to conform such report to the marketing and sale of the Series 2015 Bonds.

Section 20. Ratification of Initial Resolution. Except to the extent hereby modified, the Initial Resolution of the District is hereby ratified, confirmed and approved in all respects.

Section 21. Effective Date. This Resolution shall take effect immediately upon its adoption.

[End of Resolution – Signature page to follow]

PASSED in Public Session of the Board of Supervisors of Flow Way Community Development District, this 10th day of November, 2015.

**FLOW WAY COMMUNITY
DEVELOPMENT DISTRICT**

Attest:

James P. Ward Secretary
Board of Supervisors

John Asher, Chairman
Board of Supervisors

EXHIBIT A

FORM OF THIRD SUPPLEMENT

THIRD SUPPLEMENTAL TRUST INDENTURE

BETWEEN

FLOW WAY COMMUNITY DEVELOPMENT DISTRICT

AND

U.S. BANK NATIONAL ASSOCIATION,
As Trustee

Dated as of December 1, 2015

Authorizing and Securing

\$ _____

FLOW WAY COMMUNITY DEVELOPMENT DISTRICT
(Collier County, Florida)
Special Assessment Bonds, Series 2015
(Phase 4 Project)

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EXHIBIT A - Form of Series 2015 Bond
EXHIBIT B - Form of Investor Letter

THIS THIRD SUPPLEMENTAL TRUST INDENTURE dated as of December 1, 2015 (the "Third Supplemental Indenture") between FLOW WAY COMMUNITY DEVELOPMENT DISTRICT (the "Issuer" or the "District"), a local unit of special-purpose government organized and existing under the laws of the State of Florida, and U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States of America (said banking association and any bank or trust company becoming successor trustee under this Third Supplemental Indenture being hereinafter referred to as the "Trustee");

W I T N E S S E T H:

WHEREAS, the Issuer is a local unit of special purpose government duly organized and existing under the provisions of the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act") and Ordinance No. 02-09 of the Board of County Commissioners of Collier County, Florida (the "Ordinance"), for the purpose, among other things, of financing and managing the acquisition and construction, maintenance and operation of certain public infrastructure for the benefit of the premises to be governed by the Issuer; and

WHEREAS, the premises to be governed by the Issuer are described more fully in Exhibit A to the Master Trust Indenture dated as of December 1, 2013 (the "Master Indenture") between the District and the Trustee (referred to herein as the "District Lands") currently consist of approximately 829.74 acres of land located entirely within Collier County, Florida (the "County"); and

WHEREAS, the Issuer has been created for the purpose of delivering certain community development services and facilities for the benefit of the District Lands; and

WHEREAS, the Issuer has heretofore determined to undertake, in various stages, the planning, financing, acquisition, construction, reconstruction, equipping and installation of certain roadway, water, sewer, landscaping, irrigation, storm water management, entry features and recreational improvements and associated professional fees and incidental costs related thereto pursuant to the Act for the special benefit of the District Lands (as further described in Exhibit B to the Master Indenture, the "Project"); and

WHEREAS, the Board of Supervisors of the Issuer (the "Board") duly adopted Resolution No. 2013-16 on June 11, 2013 authorizing, among other things, the issuance, in one or more series, of not to exceed \$45,000,000 aggregate principal amount of its Flow Way Community Development District Special Assessment Bonds in order to pay all or a portion of the costs of the planning, financing, acquisition, construction, reconstruction, equipping and installation of the Project, as supplemented and amended by Resolution 2016-__ duly adopted by the Board on November 10, 2015 authorizing, among other things, the sale of its Flow Way Community Development District (Collier County, Florida) Special Assessment Bonds, Series 2015 (Phase 4 Project) in an aggregate principal amount not to exceed \$5,800,000 for the

purpose, among other things, of providing funds for the payment of a portion of the costs of the Project (the portion of the Project financed with proceeds of the Series 2015 Bonds is referred to herein as the "Phase 4 Project"); and

WHEREAS, pursuant to the Master Indenture and this Third Supplemental Indenture (hereinafter sometimes collectively referred to as the "Indenture"), the Issuer has determined to issue \$_____ original aggregate principal amount of Flow Way Community Development District (Collier County, Florida) Special Assessment Bonds, Series 2015 (Phase 4 Project) (the "Series 2015 Bonds") to provide funds for the payment of the costs of the Phase 4 Project; and

WHEREAS, the proceeds of the Series 2015 Bonds will be used to provide funds for (i) the payment of a portion of the costs of the Phase 4 Project, (ii) the funding of the Series 2015 Debt Service Reserve Account, (iii) the payment of a portion of the interest to come due on the Series 2015 Bonds, and (iv) the payment of the costs of issuance of the Series 2015 Bonds; and

WHEREAS, the Series 2015 Bonds will be secured by a pledge of the Pledged Revenues (as hereinafter defined) to the extent provided herein which such Pledged Revenues consist primarily of the Series 2015 Special Assessments (as hereinafter defined) levied on that portion of the District Lands benefitted by the Phase 4 Project; and

NOW, THEREFORE, THIS THIRD SUPPLEMENTAL INDENTURE WITNESSETH, that to provide for the issuance of the Series 2015 Bonds, the security and payment of the principal or redemption price thereof (as the case may be) and interest thereon, the rights of the Bondholders and the performance and observance of all of the covenants contained herein and in said Series 2015 Bonds, and for and in consideration of the mutual covenants herein contained and of the purchase and acceptance of the Series 2015 Bonds by the Owners thereof, from time to time, and of the acceptance by the Trustee of the trusts hereby created, and intending to be legally bound hereby, the Issuer does hereby assign, transfer, set over and pledge to the Trustee, its successors in trust and its assigns forever, and grants a lien on all of the right, title and interest of the Issuer in and to the Pledged Revenues (hereinafter defined) as security for the payment of the principal, redemption or purchase price of (as the case may be) and interest on the Series 2015 Bonds issued hereunder and any other amounts owed hereunder, and any Bonds issued on a parity with the Series 2015 Bonds, all in the manner hereinafter provided, and the Issuer further hereby agrees with and covenants unto the Trustee as follows:

TO HAVE AND TO HOLD the same and any other revenues, property, contracts or contract rights, accounts receivable, chattel paper, instruments, general intangibles or other rights and the proceeds thereof, which may, by delivery, assignment or otherwise, be subject to the lien created by the Indenture.

IN TRUST NEVERTHELESS, for the equal and ratable benefit and security of all present and future Owners of the Series 2015 Bonds issued and to be issued under this Third

Supplemental Indenture, without preference, priority or distinction as to lien or otherwise (except as otherwise specifically provided in this Third Supplemental Indenture) of any one Series 2015 Bond over any other Series 2015 Bond, all as provided in the Indenture, and any Bonds issued on a parity with the Series 2015 Bonds.

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, or make due provision for the payment of the principal or redemption price of the Series 2015 Bonds issued, and any Bonds issued on a parity with the Series 2015 Bonds, secured and Outstanding hereunder and the interest due or to become due thereon, at the times and in the manner mentioned in such Series 2015 Bonds and the Indenture, according to the true intent and meaning thereof and hereof, and the Issuer shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of the Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments this Third Supplemental Indenture and the rights hereby granted shall cease and terminate, otherwise this Third Supplemental Indenture to be and remain in full force and effect.

ARTICLE I

DEFINITIONS

In this Third Supplemental Indenture capitalized terms used without definition shall have the meanings ascribed thereto in the Master Indenture and, in addition, the following terms shall have the meanings specified below, unless otherwise expressly provided or unless the context otherwise requires:

“Arbitrage Certificate” shall mean that certain Arbitrage Certificate of the Issuer, dated December __, 2015, relating to certain restrictions on arbitrage under the Code.

“Assessment Methodology” shall mean, collectively, the Flow Way Community Development District Series 2015 – Phase 4 Capital Improvement Program dated _____ __, 2015, including, without limitation, all exhibits and appendices thereto.

“Assessment Resolutions” shall mean Resolution Nos. 2015-__, 2016-__ and 2016-__ of the Issuer dated _____ __, 2015, _____ __, 2015 and _____ __, 2015, respectively, as amended and supplemented from time to time.

“Authorized Denomination” shall mean, with respect to the Series 2015 Bonds, \$5,000 and any integral multiple thereof; provided, however, if any initial beneficial owner does not purchase at least \$100,000 of the Series 2015 at the time of initial delivery of the Series 2015 Bonds, such beneficial owner must either execute and deliver to the Underwriter on the date of delivery of the Series 2015 Bonds the investor letter substantially in the form attached hereto as Exhibit B or otherwise establish to the satisfaction of the Underwriter that such Beneficial

Owner is an “accredited investor” as described in Rule 501(a) under Regulation D of the Securities Act of 1933, as amended.

“Completion Agreement” shall mean the Completion Agreement dated as of December __, 2015, among the Issuer and the Developer, as such agreement may be modified from time to time.

“Continuing Disclosure Agreement” shall mean the Continuing Disclosure Agreement for the benefit of the owners of the Series 2015 Bonds, dated December __, 2015, by and among the Issuer, the Landowner, and the dissemination agent named herein.

“Debt Service Reserve Requirement” shall mean, with respect to the Series 2015 Bonds, an amount, as calculated from time to time, equal to _____ percent (___%) of the maximum annual Debt Service Requirement for the Series 2015 Bonds, which is initially \$ _____ on the date hereof.

“Developer” shall mean Taylor Morrison Esplanade Naples, LLC, a Florida limited liability company, and any entity or entities which succeed to all or any part of the interests and assume any or all of the responsibilities of said entities.

“District Manager” shall mean the person or entity serving as the Issuer’s District Manager from time to time.

“Engineer’s Report” shall mean the Phase 4 Engineer’s Report 2015 Project dated October 2015 prepared by Waldrop Engineering, Inc., as amended and supplemented to date.

“Indenture” shall mean collectively, the Master Indenture and this Third Supplemental Indenture.

“Interest Payment Date” shall mean May 1 and November 1 of each year, commencing May 1, 2016.

“Majority Owners” shall mean the Beneficial Owners of more than 50% of the Series 2015 Bonds Outstanding.

“Paying Agent” shall mean U.S. Bank National Association, and its successors and assigns as Paying Agent hereunder.

“Phase 4 Project” shall mean Phase 4 of the Project, as further described in the Engineer’s Report, a portion of which will be financed with proceeds of the Series 2015 Bonds.

“Pledged Revenues” shall mean with respect to the Series 2015 Bonds (a) all revenues received by the Issuer from the Series 2015 Special Assessments levied and collected on that portion of the District Lands benefited by the Phase 4 Project, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such

Series 2015 Special Assessments or from the issuance and sale of tax certificates with respect to such Series 2015 Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Indenture; provided, however, that Pledged Revenues shall not include (A) any moneys transferred to the Rebate Fund, or investment earnings thereon and (B) “special assessments” levied and collected by the Issuer under Section 190.022 of the Act for maintenance purposes or “maintenance special assessments” levied and collected by the Issuer under Section 190.021(3) of the Act (it being expressly understood that the lien and pledge of the Indenture shall not apply to any of the moneys described in the foregoing clauses (A) and (B) of this proviso).

“Prepayment” shall mean the payment by any owner of property of the amount of Series 2015 Special Assessments encumbering its property, in whole or in part, prior to its scheduled due date, including optional prepayments and prepayments which become due pursuant to the “true-up” mechanism contained in the Assessment Resolutions. “Prepayments” shall include, without limitation, Series 2015 Prepayment Principal.

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

“Registrar” shall mean U.S. Bank National Association, and its successors and assigns as Registrar hereunder.

“Regular Record Date” shall mean the fifteenth day (whether or not a Business Day) of the calendar month next preceding each Interest Payment Date.

“Resolution” shall mean, collectively, (i) Resolution 2013-16 of the Issuer dated June 11, 2013, pursuant to which the Issuer authorized, among other things, the issuance, in one or more series, of not to exceed \$45,000,000 aggregate principal amount of its special assessment bonds in order to pay all or a portion of the costs of the planning, financing, acquisition, construction, reconstruction, equipping and installation of certain roadway, water, sewer, landscaping, irrigation, storm water management, entry features and recreational improvements and associated professional fees and incidental costs related thereto, for the special benefit of the District Lands or portions thereof, and (ii) Resolution 2016-__ of the Issuer dated November 10, 2015, pursuant to which the Issuer authorized the issuance of the Series 2015 Bonds in an aggregate principal amount not to exceed \$5,800,000 to finance, among other things, a portion of the costs of the Project, specifying the details of the Series 2015 Bonds and delegating authority to the Chairman or a Designated Member (as defined in the Resolution) to award and sell the Series 2015 Bonds.

“Series 2015 Acquisition and Construction Account” shall mean the Account so designated, established as a separate Account within the Acquisition and Construction Fund pursuant to Section 4.01(a) of this Third Supplemental Indenture.

“Series 2015 Bond Redemption Fund” shall mean the Series 2015 Bond Redemption Fund established pursuant to Section 4.01(g) of this Third Supplemental Indenture.

“Series 2015 Costs of Issuance Subaccount” shall mean the Account so designated, established as a separate Subaccount within the Series 2015 Acquisition and Construction Account pursuant to Section 4.01(a) of this Third Supplemental Indenture.

“Series 2015 Debt Service Reserve Account” shall mean the Account so designated, established as a separate Account within the Debt Service Reserve Fund pursuant to Section 4.01(f) of this Third Supplemental Indenture.

“Series 2015 General Account” shall mean the Account so designated, established as a separate Account under the Series 2015 Bond Redemption Fund pursuant to Section 4.01(g) of this Third Supplemental Indenture.

“Series 2015 Interest Account” shall mean the Account so designated, established as a separate Account within the Debt Service Fund pursuant to Section 4.01(d) of this Third Supplemental Indenture.

“Series 2015 Prepayment Account” shall mean the Account so designated, established as a separate Account under the Series 2015 Bond Redemption Fund pursuant to Section 4.01(g) of this Third Supplemental Indenture.

“Series 2015 Prepayment Principal” shall mean the portion of a Prepayment corresponding to the principal amount of Series 2015 Special Assessments being prepaid.

“Series 2015 Principal Account” shall mean the Account so designated, established as a separate Account within the Debt Service Fund pursuant to Section 4.01(c) of this Third Supplemental Indenture.

“Series 2015 Revenue Account” shall mean the Account so designated, established as a separate Account within the Revenue Fund pursuant to Section 4.01(b) of this Third Supplemental Indenture.

“Series 2015 Sinking Fund Account” shall mean the Account so designated, established as a separate Account within the Debt Service Fund pursuant to Section 4.01(e) of this Third Supplemental Indenture.

“Series 2015 Special Assessments” shall mean the Special Assessments levied on that portion of the District Lands specially benefitted by the Phase 4 Project or any portion thereof, which assessments correspond in amount to the debt service on the Series 2015 Bonds.

“Special Assessments” shall mean the non-ad valorem special assessments levied by the Issuer against developable acreage within the District Lands pursuant to Section 190.022, Florida Statutes, as amended, and the applicable resolutions of the District, and shall include the Series 2015 Special Assessments.

“Substantially Absorbed” shall mean the date on which a principal amount of the Series 2015 Special Assessments equaling at least ninety-five percent (95%) of the then Outstanding principal amount of the Series 2015 Bonds are levied on the District Lands with respect to which a certificate of occupancy has been issued for a structure thereon. Satisfaction of the foregoing definition shall be evidenced by the delivery by the District to the Trustee of a written certificate of the District’s assessment consultant to such effect and upon which the Trustee may conclusively rely.

“Third Supplemental Indenture” shall mean this Third Supplemental Trust Indenture dated as of December 1, 2015 by and between the Issuer and the Trustee, as supplemented or amended.

“True-Up Agreement” shall mean the True-Up Agreement, dated as of December __, 2015, by and among the Issuer, the Developer and the District Manager.

“Uniform Method” shall mean the uniform method for the levy, collection and enforcement of Assessments afforded by Sections 197.3631, 197.3632 and 197.3635, Florida Statutes, as amended.

The words “hereof,” “herein,” “hereto,” “hereby,” and “hereunder” (except in the forms of Series 2015 Bonds), refer to the entire Indenture.

Every “request,” “requisition,” “order,” “demand,” “application,” “notice,” “statement,” “certificate,” “consent,” or similar action hereunder by the Issuer shall, unless the form or execution thereof is otherwise specifically provided, be in writing signed by a Responsible Officer of the Issuer.

All words and terms importing the singular number shall, where the context requires, import the plural number and vice versa.

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ARTICLE II

THE SERIES 2015 BONDS

SECTION 2.01. Amounts and Terms of Series 2015 Bonds; Issue of Series 2015 Bonds. No Series 2015 Bonds may be issued under this Third Supplemental Indenture except in accordance with the provisions of this Article and Articles II and III of the Master Indenture.

(a) The total principal amount of Series 2015 Bonds that may be issued under this Third Supplemental Indenture is expressly limited to \$_____. The Series 2015 Bonds shall be numbered consecutively from R-1 and upwards.

(b) Any and all Series 2015 Bonds shall be issued substantially in the form attached hereto as **Exhibit A**, with such appropriate variations, omissions and insertions as are permitted or required by the Indenture and with such additional changes as may be necessary or appropriate to conform to the provisions of the Resolution. The Issuer shall issue the Series 2015 Bonds upon execution of this Third Supplemental Indenture and satisfaction of the requirements of Section 3.01 of the Master Indenture; and the Trustee shall, at the Issuer's request, authenticate such Series 2015 Bonds and deliver them as specified in the request.

SECTION 2.02. Execution. The Series 2015 Bonds shall be executed by the Issuer as set forth in the Master Indenture.

SECTION 2.03. Authentication. The Series 2015 Bonds shall be authenticated as set forth in the Master Indenture. No Series 2015 Bond shall be valid until the certificate of authentication shall have been duly executed by the Trustee, as provided in the Master Indenture.

SECTION 2.04. Purpose, Designation and Denominations of, and Interest Accruals on, the Series 2015 Bonds.

(a) The Series 2015 Bonds are being issued hereunder in order to provide funds to (i) pay a portion of the costs of the Phase 4 Project, (ii) fund the Series 2015 Debt Service Reserve Account, (iii) fund capitalized interest, and (iv) pay the costs of issuance of the Series 2015 Bonds. The Series 2015 Bonds shall be designated "Flow Way Community Development District (Collier County, Florida) Special Assessment Bonds, Series 2015 (Phase 4 Project)," and shall be issued as fully registered bonds without coupons in Authorized Denominations.

(b) The Series 2015 Bonds shall be dated the date of original issuance thereof. Interest on the Series 2015 Bonds shall be payable on each Interest Payment Date to maturity or prior redemption. Interest on the Series 2015 Bonds shall be payable from the most recent Interest Payment Date next preceding the date of authentication thereof to which interest has been paid, unless the date of authentication thereof is a May 1 or November 1 to which interest

has been paid, in which case from such date of authentication, or unless the date of authentication thereof is prior to May 1, 2016, in which case from the date of original issuance of the Series 2015 Bonds, or unless the date of authentication thereof is between a Record Date and the next succeeding Interest Payment Date, in which case from such Interest Payment Date.

(c) Except as otherwise provided in Section 2.07 of this Third Supplemental Indenture in connection with a book entry only system of registration of the Series 2015 Bonds, the principal or Redemption Price of the Series 2015 Bonds shall be payable in lawful money of the United States of America at the designated corporate trust office of the Paying Agent upon presentation of such Series 2015 Bonds. Except as otherwise provided in Section 2.07 of this Third Supplemental Indenture in connection with a book entry only system of registration of the Series 2015 Bonds, the payment of interest on the Series 2015 Bonds shall be made on each Interest Payment Date to the Owners of the Series 2015 Bonds by check or draft drawn on the Paying Agent and mailed on the applicable Interest Payment Date to each Owner as such Owner appears on the Bond Register maintained by the Registrar as of the close of business on the Regular Record Date, at his address as it appears on the Bond Register. Any interest on any Series 2015 Bond which is payable, but is not punctually paid or provided for on any Interest Payment Date (hereinafter called "Defaulted Interest") shall be paid to the Owner in whose name the Series 2015 Bond is registered at the close of business on a Special Record Date to be fixed by the Trustee, such date to be not more than fifteen (15) nor less than ten (10) days prior to the date of proposed payment. The Trustee shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class, postage-prepaid, to each Owner of record as of the fifth (5th) day prior to such mailing, at his address as it appears in the Bond Register not less than ten (10) days prior to such Special Record Date. The foregoing notwithstanding, any Owner of Series 2015 Bonds in an aggregate principal amount of at least \$1,000,000 shall be entitled to have interest paid by wire transfer to such Owner to the bank account number on file with the Paying Agent, upon requesting the same in a writing received by the Paying Agent at least fifteen (15) days prior to the relevant Interest Payment Date, which writing shall specify the bank, which shall be a bank within the continental United States, and bank account number to which interest payments are to be wired. Any such request for interest payments by wire transfer shall remain in effect until rescinded or changed, in a writing delivered by the Owner to the Paying Agent, and any such rescission or change of wire transfer instructions must be received by the Paying Agent at least fifteen (15) days prior to the relevant Interest Payment Date.

SECTION 2.05. Debt Service on the Series 2015 Bonds.

(a) The Series 2015 Bonds will mature on November 1 in the years, be issued in the principal amounts and bear interest at the rates per annum, subject to the right of prior redemption in accordance with their terms, as follows.

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
	\$	%

(b) Interest on the Series 2015 Bonds will be computed in all cases on the basis of a 360-day year comprised of twelve 30 day months. Interest on overdue principal and, to the extent lawful, on overdue interest will be payable at the numerical rate of interest borne by the Series 2015 Bonds on the day before the default occurred.

SECTION 2.06. Disposition of Series 2015 Bond Proceeds. From the proceeds of the Series 2015 Bonds received by the Trustee (\$_____),

(a) \$_____, which is an amount equal to the Debt Service Reserve Requirement in respect of the Series 2015 Bonds, shall be deposited in the Series 2015 Debt Service Reserve Account of the Debt Service Reserve Fund,

(b) \$_____ shall be deposited into the Series 2015 Costs of Issuance Subaccount of the Series 2015 Acquisition and Construction Account and applied to pay costs of issuance of the Series 2015 Bonds,

(c) \$_____ shall be deposited into the Series 2015 Interest Account and applied to pay capitalized interest on the Series 2015 Bonds, and

(d) \$_____, constituting all remaining proceeds of the Series 2015 Bonds, shall be deposited in the Series 2015 Acquisition and Construction Account of the Acquisition and Construction Fund to be applied to pay Costs of the Phase 4 Project in accordance with Article V of the Master Indenture.

SECTION 2.07. Book-Entry Form of Series 2015 Bonds. The Series 2015 Bonds shall be issued as one fully registered bond per maturity of each series and deposited with The Depository Trust Company, New York, New York (“DTC”), which is responsible for establishing and maintaining records of ownership for its participants.

The Issuer and the Trustee shall enter into a letter of representations with DTC providing for such book-entry-only system, in accordance with the provisions of Section 2.11 of the Master Indenture. Such agreement may be terminated at any time by either DTC or the Issuer. In the event of such termination, the Issuer shall select another securities depository. If the Issuer does not replace DTC within sixty (60) days of such termination and, in all instances, prior to the next Interest Payment Date, the Trustee will, at the expense of the Issuer, register and deliver to the Beneficial Owners replacement Series 2015 Bonds in the form of fully registered Series 2015 Bonds in accordance with the instructions from Cede & Co.

SECTION 2.08. Appointment of Registrar and Paying Agent. The Issuer shall keep, at the designated corporate trust office of the Registrar, books (the "Bond Register") for the registration, transfer and exchange of the Series 2015 Bonds, and hereby appoints U.S. Bank National Association, as its Registrar to keep such books and make such registrations, transfers, and exchanges as required hereby. U.S. Bank National Association hereby accepts its appointment as Registrar and its duties and responsibilities as Registrar hereunder. Registrations, transfers and exchanges shall be without charge to the Bondholder requesting such registration, transfer or exchange, but such Bondholder shall pay any taxes or other governmental charges on all registrations, transfers and exchanges.

The Issuer hereby appoints U.S. Bank National Association as Paying Agent for the Series 2015 Bonds. U.S. Bank National Association accepts its appointment as Paying Agent and its duties and responsibilities as Paying Agent hereunder.

SECTION 2.09. Conditions Precedent to the Issuance of the Series 2015 Bonds. In addition to complying with the requirements set forth in the Master Indenture in connection with the issuance of the Series 2015 Bonds, all the Series 2015 Bonds shall be executed by the Issuer for delivery to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the Issuer or upon its order, but only upon the further receipt by the Trustee of:

- (a) Certified copies of the Assessment Resolutions;
- (b) Executed originals of the Master Indenture and this Third Supplemental Indenture;
- (c) An opinion of Counsel to the District substantially to the effect that (i) the Issuer has been duly established and validly exists as a community development district under the Act, (ii) the Issuer has good right and lawful authority under the Act to purchase the Phase 4 Project being financed with the proceeds of the Series 2015 Bonds, subject to obtaining such licenses, orders or other authorizations as are, at the date of such opinion, required to be obtained from any agency or regulatory body having lawful jurisdiction in order to own and operate the Phase 4 Project, (iii) all proceedings undertaken by the Issuer with respect to the Series 2015 Special Assessments have been in accordance with Florida law, (iv) the Issuer has taken all action necessary to levy and impose the Series 2015 Special Assessments, and (v) the Series 2015 Special Assessments are legal, valid and binding liens upon the property against which such Series 2015 Special Assessments are made, coequal with the lien of all state, county, district and municipal taxes, superior in dignity to all other liens, titles and claims, until paid;
- (d) A certificate of an Authorized Officer to the effect that, upon the authentication and delivery of the Series 2015 Bonds, the Issuer will not be in default in the performance of the terms and provisions of the Master Indenture or this Third Supplemental Indenture; and
- (e) Copies of executed investor letters in the form attached hereto as **Exhibit B** if such investor letter is required, as determined by the Underwriter.

Delivery to the Trustee of the net proceeds from the issuance and sale of the Series 2015 Bonds is conclusive evidence of the satisfaction of the conditions precedent for authentication of the Series 2015 Bonds.

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ARTICLE III

REDEMPTION OF SERIES 2015 BONDS

SECTION 3.01. Redemption Dates and Prices. The Series 2015 Bonds shall be subject to redemption at the times and in the manner provided in Article VIII of the Master Indenture and in this Article III. All payments of the Redemption Price of the Series 2015 Bonds shall be made on the dates hereinafter required. If less than all the Series 2015 Bonds are to be redeemed pursuant to an optional redemption or an extraordinary mandatory redemption, the portions of the Series 2015 Bonds to be redeemed shall be selected as provided in Section 8.03 of the Master Indenture. Partial redemptions of Series 2015 Bonds shall be made in such a manner that the remaining Series 2015 Bonds held by each Bondholder shall be in Authorized Denominations, except for the last remaining Series 2015 Bond of each maturity.

(a) Optional Redemption. The Series 2015 Bonds may, at the option of the Issuer, be called for redemption prior to maturity in whole or in part at any time on or after November 1, 20__ (less than all Series 2015 Bonds to be selected by lot), at a Redemption Price equal to 100% of the principal amount of Series 2015 Bonds to be redeemed plus accrued interest from the most recent Interest Payment Date to the redemption date.

(b) Extraordinary Mandatory Redemption in Whole or in Part. The Series 2015 Bonds are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole, on any date, or in part, on any Quarterly Redemption Date, at an extraordinary mandatory redemption price equal to 100% of the principal amount of the Series 2015 Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

(i) from Series 2015 Prepayment Principal deposited into the Series 2015 Prepayment Account of the Series 2015 Bond Redemption Fund following the payment in whole or in part of Series 2015 Special Assessments on any portion of the District Lands in accordance with the provisions of Section 4.05(a) of this Third Supplemental Indenture, including with excess moneys transferred from the Series 2015 Debt Service Reserve Account to the Series 2015 Prepayment Account of the Series 2015 Bond Redemption Fund resulting from such Series 2015 Special Assessment prepayments pursuant to Section 4.01(f)(ii) of this Third Supplemental Indenture.

(ii) from amounts on deposit in the Series 2015 Debt Service Reserve Account in excess of the Debt Service Reserve Requirement for the Series 2015 Bonds and transferred to the Series 2015 Prepayment Account of the Series 2015 Bond Redemption Fund in accordance with Section 6.05 of the Master Indenture and Section 4.01(f) hereof to be used for the extraordinary mandatory redemption of the Series 2015 Bonds.

(iii) on or after the Completion Date of the Phase 4 Project, by application of moneys remaining in the Series 2015 Acquisition and Construction

Account of the Acquisition and Construction Fund not reserved by the Issuer for the payment of any remaining part of the Cost of the Phase 4 Project, all of which shall be transferred as specified in Section 4.01(a) hereof to the Series 2015 General Account of the Series 2015 Bond Redemption Fund, credited toward extinguishment of the Series 2015 Special Assessments and applied toward the redemption of the Series 2015 Bonds in accordance with the manner it has credited such excess moneys toward extinguishment of Series 2015 Special Assessments which the Issuer shall describe to the Trustee in writing.

(iv) following condemnation or the sale of any portion of the Phase 4 Project to a governmental entity under threat of condemnation by such governmental entity and the payment of moneys which are not to be used to rebuild, replace or restore the taken portion of the Phase 4 Project to the Trustee by or on behalf of the Issuer for deposit into the Series 2015 General Account of the Series 2015 Bond Redemption Fund in order to effectuate such redemption and, which moneys shall be applied by the Issuer to redeem Series 2015 Bonds in accordance with the manner it has credited such moneys toward extinguishment of Series 2015 Special Assessments which the Issuer shall describe to the Trustee in writing.

(v) following the damage or destruction of all or substantially all of the Phase 4 Project to such extent that, in the reasonable opinion of the Issuer, the repair and restoration thereof would not be economical or would be impracticable, to the extent of amounts paid by the Issuer to the Trustee for deposit to the Series 2015 General Account of the Series 2015 Bond Redemption Fund which moneys shall be applied by the Issuer to redeem Series 2015 Bonds in accordance with the manner it has credited such moneys toward extinguishment of Series 2015 Special Assessments; provided, however, that at least forty-five (45) days prior to such extraordinary mandatory redemption, the Issuer shall cause to be delivered to the Trustee (x) notice setting forth the redemption date and (y) a certificate of the Consulting Engineer confirming that the repair and restoration of the Phase 4 Project would not be economical or would be impracticable.

(vi) from moneys, if any, on deposit in the Series 2015 Funds and Accounts (other than the Rebate Fund) sufficient to pay and redeem all Outstanding Series 2015 Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the Master Indenture.

(c) Mandatory Sinking Fund Redemption. The Series 2015 Bonds maturing on November 1, 20__ are subject to mandatory redemption in part by the Issuer by lot prior to their scheduled maturity from moneys in the Series 2015 Sinking Fund Account established under the Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on November 1 of the years and in the principal amounts set forth below:

<u>Year (November 1)</u>	<u>Amortization Installment</u>	<u>Year (November 1)</u>	<u>Amortization Installment</u>
	\$		\$

*

*Maturity.

The Series 2015 Bonds maturing on November 1, 20__ are subject to mandatory redemption in part by the Issuer by lot prior to their scheduled maturity from moneys in the Series 2015 Sinking Fund Account established under the Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on November 1 of the years and in the principal amounts set forth below:

<u>Year (November 1)</u>	<u>Amortization Installment</u>	<u>Year (November 1)</u>	<u>Amortization Installment</u>
	\$		\$

*

*Maturity.

The Series 2015 Bonds maturing on November 1, 20__ are subject to mandatory redemption in part by the Issuer by lot prior to their scheduled maturity from moneys in the Series 2015 Sinking Fund Account established under the Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on November 1 of the years and in the principal amounts set forth below:

<u>Year (November 1)</u>	<u>Amortization Installment</u>	<u>Year (November 1)</u>	<u>Amortization Installment</u>
	\$		

<u>Year (November 1)</u>	<u>Amortization Installment</u>	<u>Year (November 1)</u>	<u>Amortization Installment</u>
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*

*Maturity.

SECTION 3.02. Notice of Redemption.

(a) When required to redeem Series 2015 Bonds under any provision of this Third Supplemental Indenture or directed to redeem Series 2015 Bonds by the Issuer, the Trustee shall give or cause to be given to Owners of the Series 2015 Bonds to be redeemed notice of the redemption, as set forth in Section 8.02 of the Master Indenture.

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ARTICLE IV

ESTABLISHMENT OF CERTAIN FUNDS AND ACCOUNTS; ADDITIONAL COVENANTS OF THE ISSUER; PREPAYMENTS; REMOVAL OF SPECIAL ASSESSMENT LIENS

SECTION 4.01. Establishment of Certain Funds and Accounts.

(a) The Trustee shall establish a separate Account within the Acquisition and Construction Fund designated as the "Series 2015 Acquisition and Construction Account." Proceeds of the Series 2015 Bonds shall be deposited into the Series 2015 Acquisition and Construction Account in the amount set forth in Section 2.06 of this Third Supplemental Indenture, together with any excess moneys transferred to the Series 2015 Acquisition and Construction Account, and such moneys in the Series 2015 Acquisition and Construction Account shall be applied as set forth in Article V of the Master Indenture and Sections 4.01(a) and 3.01(b)(iii) of this Third Supplemental Indenture. After the Completion Date of the Phase 4 Project and after retaining in the Series 2015 Acquisition and Construction Account the amount, if any, of all remaining unpaid Costs of the Phase 4 Project set forth in the Engineers' Certificate establishing such Completion Date, any funds remaining in the Series 2015 Acquisition and Construction Account shall be transferred to and deposited into the Series 2015 General Account of the Series 2015 Bond Redemption Fund and applied to the extraordinary mandatory redemption of the Series 2015 Bonds.

There is hereby established within the Series 2015 Acquisition and Construction Account of the Acquisition and Construction Fund held by the Trustee a "Series 2015 Costs of Issuance Subaccount." Amounts in the Series 2015 Costs of Issuance Subaccount shall be applied by the Trustee to pay the costs relating to the issuance of the Series 2015 Bonds. Six months after the date of issuance of the Series 2015 Bonds, any moneys remaining in the Series 2015 Costs of Issuance Subaccount which have not been requisitioned by the Issuer to pay costs relating to the issuance of the Series 2015 Bonds shall be deposited into the Series 2015 Acquisition and Construction Account and applied as set forth in Article V of the Master Indenture and Sections 4.01(a) and 3.01(b)(iii) of this Third Supplemental Indenture.

(b) Pursuant to Section 6.03 of the Master Indenture, the Trustee shall establish a separate Account within the Revenue Fund designated as the "Series 2015 Revenue Account." Series 2015 Special Assessments (except for Prepayments of Series 2015 Special Assessments which shall be deposited in the Series 2015 Prepayment Account) shall be deposited by the Trustee into the Series 2015 Revenue Account which shall be applied as set forth in Article VI of the Master Indenture and Section 4.02 of this Third Supplemental Indenture.

(c) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish a separate Account within the Debt Service Fund designated as the "Series 2015 Principal Account." Moneys shall be deposited into the Series 2015 Principal Account as

provided in Article VI of the Master Indenture and Section 4.02 of this Third Supplemental Indenture, and applied for the purposes provided therein.

(d) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish a separate Account within the Debt Service Fund designated as the "Series 2015 Interest Account." Proceeds of the Series 2015 Bonds shall be deposited into the Series 2015 Interest Account in the amount set forth in Section 2.06 of this Third Supplemental Indenture. Moneys deposited into the Series 2015 Interest Account pursuant to Article VI of the Master Indenture and Section 4.02 of this Third Supplemental Indenture and shall be applied for the purposes as provided in such sections.

(e) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish a separate Account within the Debt Service Fund designated as the "Series 2015 Sinking Fund Account." Moneys shall be deposited into the Series 2015 Sinking Fund Account as provided in Article VI of the Master Indenture and Section 4.02 of this Third Supplemental Indenture and applied for the purposes provided therein and in Section 3.01(c) of this Third Supplemental Indenture.

(f) Pursuant to Section 6.05 of the Master Indenture, the Trustee shall establish an Account within the Debt Service Reserve Fund designated as the "Series 2015 Debt Service Reserve Account."

(i) Proceeds of the Series 2015 Bonds shall be deposited into the Series 2015 Debt Service Reserve Account in the amount set forth in Section 2.06(a) of this Third Supplemental Indenture, and such moneys, together with any other moneys deposited into the Series 2015 Debt Service Reserve Account pursuant to the Master Indenture, shall be applied for the purposes provided therein and in this Section 4.01(f). On the date that is 45 days prior to each Quarterly Redemption Date (or, if such date is not a Business Day, on the Business Day next preceding such day), the Trustee shall determine the amount on deposit in the Series 2015 Debt Service Reserve Account and transfer any excess therein (except for excess resulting from interest earnings) above the Debt Service Reserve Requirement for the Series 2015 Bonds as follows: (A) prior to the Completion Date of the Phase 4 Project, to the Series 2015 Acquisition and Construction Account of the Acquisition and Construction Fund, and (B) on and after the Completion Date of the Phase 4 Project, such amounts shall be retained in the Series 2015 Debt Service Reserve Account until otherwise applied as set forth herein including redemption in accordance with Section 3.01(b)(ii) hereof.

(ii) Notwithstanding the foregoing paragraph, so long as no Event of Default has occurred and has not been cured, upon an optional prepayment by the owner of a lot or parcel of land of a Series 2015 Special Assessment against such lot or parcel as provided in Section 4.05(a) of this Third Supplemental Indenture, the District shall determine the Debt Service Reserve Requirement for the Series 2015 Bonds taking into account such optional prepayment and shall direct the Trustee to transfer any

amount on deposit in the Series 2015 Debt Service Reserve Account in excess thereof (except for excess resulting from interest earnings) from the Series 2015 Debt Service Reserve Account to the Series 2015 Prepayment Account of the Series 2015 Bond Redemption Fund, as a credit against the Series 2015 Prepayment Principal otherwise required to be made by the owner of such lot or parcel.

(iii) Earnings on investments in the Series 2015 Debt Service Reserve Account shall be disposed of as follows:

(A) If as of the last date on which amounts on deposit in the Series 2015 Debt Service Reserve Account were valued by the Trustee there was a deficiency in the Series 2015 Debt Service Reserve Account, or if after such date withdrawals have been made from the Series 2015 Debt Service Reserve Account and have created such a deficiency, then earnings on investments in the Series 2015 Debt Service Reserve Account shall be deposited to the credit of the Series 2015 Debt Service Reserve Account until the amount on deposit therein equals the Debt Service Reserve Requirement for the Series 2015 Bonds; and

(B) As long as there exists no default under the Indenture to the actual knowledge of the officers of the Trustee responsible for the administration the trust estate and the amount in the Series 2015 Debt Service Reserve Account is not reduced below the then Debt Service Reserve Requirement, then earnings on investments in the Series 2015 Debt Service Reserve Account shall be applied as follows: (x) prior to the Completion Date of the Phase 4 Project, to the Series 2015 Acquisition and Construction Account of the Acquisition and Construction Fund, and (y) on and after the Completion Date of the Phase 4 Project, to the Series 2015 Revenue Account of the Revenue Fund.

(g) Pursuant to Section 6.06 of the Master Indenture, the Trustee shall establish a separate Series Bond Redemption Fund designated as the "Series 2015 Bond Redemption Fund" and within such Fund, a "Series 2015 General Account" and a "Series 2015 Prepayment Account." Except as otherwise provided in this Third Supplemental Indenture, moneys to be deposited into the Series 2015 Bond Redemption Fund as provided in Article VI of the Master Indenture shall be deposited to the Series 2015 General Account of the Series 2015 Bond Redemption Fund. Series 2015 Special Assessment prepayments shall be deposited directly into the Series 2015 Prepayment Account of the Series 2015 Bond Redemption Fund as provided in the Indenture.

(h) (i) Moneys in the Series 2015 General Account of the Series 2015 Bond Redemption Fund (including all earnings on investments held therein) shall be accumulated therein to be used in the following order of priority, to the extent that the need therefor arises:

FIRST, to make such deposits into the Rebate Fund for the Series 2015 Bonds, if any, as the Issuer may direct in writing in accordance with the Arbitrage Certificate, such moneys thereupon to be used solely for the purposes specified in the Arbitrage Certificate. Any moneys so transferred from the Series 2015 General Account of the Series 2015 Bond Redemption Fund to the Rebate Fund shall thereupon be free from the lien and pledge of the Indenture;

SECOND, to be used to call for redemption pursuant to Section 3.01(b)(iii), (iv), (v) and (vi) hereof an amount of Series 2015 Bonds equal to the amount of money transferred to the Series 2015 General Account of the Series 2015 Bond Redemption Fund pursuant to the aforesaid clauses or provisions, as appropriate, for the purpose of such extraordinary mandatory redemption on the dates and at the prices provided in such clauses or provisions, as appropriate; and

THIRD, the remainder to be utilized by the Trustee, at the written direction of a Responsible Officer, to call for redemption on each Interest Payment Date on which Series 2015 Bonds are subject to optional redemption pursuant to Section 3.01(a) hereof such amount of Series 2015 Bonds as, with the redemption premium, may be practicable; provided, however, that not less than \$5,000 principal amount of Series 2015 Bonds shall be called for redemption at one time.

(ii) Moneys in the Series 2015 Prepayment Account of the Series 2015 Bond Redemption Fund (including all earnings on investments therein) shall be accumulated therein to be used to call for redemption pursuant to Section 3.01(b)(i) hereof an amount of Series 2015 Bonds equal to the amount of money transferred to the Series 2015 Prepayment Account of the Series 2015 Bond Redemption Fund pursuant to the aforesaid provision, for the purpose of such extraordinary mandatory redemption on the dates and at the prices provided in Section 3.01(b)(i) hereof.

SECTION 4.02. Series 2015 Revenue Account. The Trustee shall transfer from amounts on deposit in the Series 2015 Revenue Account of the Revenue Fund to the Funds and Accounts designated below, the following amounts, at the following times and in the following order of priority:

FIRST, not later than the Business Day preceding each February 1, May 1, August 1 and November 1, to the Series 2015 Interest Subaccount of the Debt Service Fund, an amount from the Series 2015 Revenue Account equal to the interest on the Series 2015 Bonds due on such February 1, May 1, August 1 or November 1, less any amounts on deposit in the Series 2015 Interest Subaccount not previously credited;

SECOND, no later than the Business Day next preceding each November 1, to the Series 2015 Principal Account of the Debt Service Fund, an amount from the Series 2015 Revenue Account equal to the principal amount of Series 2015 Bonds Outstanding maturing on such November 1, if any, less any amounts on deposit in the Series 2015 Principal Account not previously credited;

THIRD, no later than the Business Day next preceding each November 1, to the Series 2015 Sinking Fund Account of the Debt Service Fund, an amount from the Series 2015 Revenue Account equal to the principal amount of Series 2015 Bonds subject to sinking fund redemption on such November 1, less any amount on deposit in the Series 2015 Sinking Fund Account not previously credited;

FOURTH, upon receipt but no later than the Business Day next succeeding each Interest Payment Date, to the Series 2015 Debt Service Reserve Account, an amount from the Series 2015 Revenue Account equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Debt Service Reserve Requirement for the Series 2015 Bonds; and

FIFTH, subject to the following paragraph, the balance of any moneys remaining after making the foregoing deposits shall remain in the Series 2015 Revenue Account, unless pursuant to the Arbitrage Certificate it is necessary to make a deposit into the Rebate Fund, in which case the Issuer shall direct the Trustee to make such deposit thereto.

Moneys held for the credit of the Series 2015 Revenue Account which are not otherwise required to be deposited pursuant to this Section shall be retained therein and applied on subsequent dates for the purposes and in the priority set forth above.

SECTION 4.03. Power to Issue Series 2015 Bonds and Create Lien. The Issuer is duly authorized under the Act and all applicable laws of the State to issue the Series 2015 Bonds, to execute and deliver the Indenture and to pledge the Pledged Revenues for the benefit of the Series 2015 Bonds to the extent set forth herein. The Pledged Revenues are not and shall not be subject to any other lien senior to or on a parity with the lien created in favor of the Series 2015 Bonds, except for Bonds issued to refund all or a portion of the Series 2015 Bonds. The Series 2015 Bonds and the provisions of the Indenture are and will be valid and legally enforceable obligations of the Issuer in accordance with their respective terms. The Issuer shall, at all times, to the extent permitted by law, defend, preserve and protect the pledge created by the Indenture and all the rights of the Owners of the Series 2015 Bonds under the Indenture against all claims and demands of all persons whomsoever.

SECTION 4.04. Project to Conform to Plans and Specifications; Changes. The Issuer will proceed to complete the Project, as described in the Engineer's Report, in accordance with the plans and specifications therefor, as such plans and specifications may be amended by the Issuer from time to time; provided that prior to any such amendment of the plans and specifications for the Project, the Consulting Engineer shall have delivered its certificate approving the proposed amendment to such plans and specifications.

SECTION 4.05. Prepayments; Removal of Special Assessment Liens.

(a) At any time any owner of property subject to the Series 2015 Special Assessments may, at its option, or under certain circumstances described in the Assessment

Resolutions in connection with Prepayments derived from application of the “true-up” mechanism therein, shall, require the Issuer to reduce or release and extinguish the lien upon its property by virtue of the levy of the Series 2015 Special Assessments by paying to the Issuer all or a portion of the Series 2015 Special Assessment, which shall constitute Series 2015 Prepayment Principal, as directed in writing by the Issuer pursuant to the provisions of Section 4.01(h)(ii) of this Third Supplemental Indenture, plus accrued interest to the next succeeding Quarterly Redemption Date (or the second succeeding Quarterly Redemption Date if such prepayment is made within 45 calendar days before an Quarterly Redemption Date), attributable to the property subject to Series 2015 Special Assessment owned by such owner; provided, however, to the extent that such payments are to be used to redeem Series 2015 Bonds in the event the amount in the Series 2015 Debt Service Reserve Account will exceed the Debt Service Reserve Requirement for the Series 2015 Bonds as a result of a Prepayment in accordance with this Section 4.05(a) and the resulting redemption in accordance with Section 3.01(b)(i) of this Third Supplemental Indenture of Series 2015 Bonds, the excess amount shall be transferred from the Series 2015 Debt Service Reserve Account to the Series 2015 Prepayment Account of the Series 2015 Bond Redemption Fund, as a credit against the Series 2015 Prepayment Principal otherwise required to be paid by the owner of such lot or parcel, upon written instructions of the Issuer together with a certificate of a Responsible Officer of the Issuer stating that, after giving effect to such transfers sufficient moneys will be on deposit in the Series 2015 Debt Service Reserve Account to equal or exceed the Debt Service Reserve Requirement for the Series 2015 Bonds and accompanied by cash flows which demonstrate that, after giving effect to the proposed redemption of Series 2015 Bonds, there will be sufficient Pledged Revenues to pay the principal and interest, when due, on all Series 2015 Bonds that will remain Outstanding.

(b) Upon receipt of Series 2015 Prepayment Principal as described in paragraph (a) above, subject to satisfaction of the conditions set forth therein, the Issuer shall immediately pay the amount so received to the Trustee and clearly identify such amounts as Series 2015 Prepayment Principal, and the Issuer shall take such action as is necessary to record in the official records of the County an affidavit or affidavits, as the case may be, executed by the District Manager, to the effect that the Series 2015 Special Assessment has been paid in whole or in part and that such Series 2015 Special Assessment lien is thereby reduced, or released and extinguished, as the case may be. Upon receipt of any such moneys from the Issuer the Trustee shall immediately deposit the same into the Series 2015 Prepayment Account of the Series 2015 Bond Redemption Fund to be applied in accordance with Section 4.01(h)(ii) of this Third Supplemental Indenture, to the redemption of Series 2015 Bonds in accordance with Section 3.01(b)(i) of this Third Supplemental Indenture.

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ARTICLE V

ADDITIONAL COVENANTS OF THE ISSUER

SECTION 5.01. Collection of Series 2015 Special Assessments. Notwithstanding Section 9.04 of the Master Trust Indenture, at all times prior to the Issuer's Fiscal Year ending September 30, [2016], the Series 2015 Special Assessments shall be directly collected and enforced by the Issuer pursuant to the provisions of the Act, Chapter 170, Florida Statutes, or Chapter 197, Florida Statutes, or any successor statutes thereto. Commencing in the Issuer's Fiscal Year beginning October 1, [2017], pursuant to Section 9.04 of the Master Trust Indenture, Series 2015 Special Assessments levied on platted lots and pledged hereunder to secure the Series 2015 Bonds will be collected pursuant to the Uniform Method. The Issuer covenants to enter into a Property Appraiser and Tax Collector Agreement with the County in order to comply with the provisions of this section.

Notwithstanding the immediately preceding paragraph or any other provision in the Indenture to the contrary, upon the occurrence of an Event of Default, if the Trustee, acting at the direction of the Majority Owners, requests that the Issuer not use the Uniform Method, but instead collect and enforce Series 2015 Special Assessments pursuant to another available method under the Act, Chapter 170, Florida Statutes, or Chapter 197, Florida Statutes, or any successor statutes thereto, then the Issuer shall collect and enforce said Series 2015 Special Assessments in the manner and pursuant to the method so requested by the Trustee.

Any Series 2015 Special Assessments that are not collected pursuant to the Uniform Method shall be billed directly to the applicable landowner and be payable not later than thirty (30) days prior to each Interest Payment Date.

SECTION 5.02. Additional Covenant Regarding Series 2015 Special Assessments. In addition to, and not in limitation of, the covenants contained elsewhere in the Indenture, the Issuer covenants to comply with the terms of the proceedings heretofore adopted with respect to the Series 2015 Special Assessments, including the Assessment Resolution and the Assessment Methodology, and to levy the Series 2015 Special 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 Series 2015 Bonds, when due. The Assessment Methodology shall not be amended without written consent of the Majority Owners.

SECTION 5.03. Foreclosure of Assessment Lien. Notwithstanding Section 9.06 of the Master Indenture or any other provision of the Indenture to the contrary, the following provisions shall apply with respect to the Series 2015 Special Assessments and Series 2015 Bonds.

If any property shall be offered for sale for the nonpayment of any Series 2015 Special Assessment and no person or persons shall purchase such property for an amount equal to the

full amount due on the Series 2015 Special Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), the property may then be purchased by the District for an amount equal to the balance due on the Series 2015 Special 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 2015 Bonds; provided that the Trustee shall have the right, acting at the written direction of the Majority Owners, but shall not be obligated, to direct the District with respect to any action taken pursuant to this Section. The District, either through its own actions, or actions caused to be taken through the Trustee, shall have the power and shall lease or sell such property, and deposit all of the net proceeds of any such lease or sale into the Series 2015 Revenue Account. The District, either through its own actions, or actions caused to be taken through the Trustee, agrees that it shall be required to take the measures provided by law for sale of property acquired by it as trustee for the Owners of the Series 2015 Bonds within sixty (60) days after the receipt of the request therefor signed by the Trustee or the Majority Owners.

SECTION 5.04. No Additional Bonds; Limitation on Parity Liens. Notwithstanding any provision in the Master Indenture to the contrary, the Issuer covenants that so long as there are any Series 2015 Bonds Outstanding and the Series 2015 Special Assessments have not been Substantially Absorbed, the Issuer shall not issue Bonds or other debt obligations, other than refunding bonds, secured by Special Assessments for capital projects on the District Lands subject to the Series 2015 Special Assessments. The Issuer further covenants that so long as there are any Series 2015 Bonds Outstanding, it shall not cause or permit to be caused any lien, charge or claim against the Pledged Revenues, except for refunding bonds.

SECTION 5.05. Requisite Owners for Direction or Consent. Anything in the Master Indenture to the contrary notwithstanding, any direction or consent or similar provision which requires fifty-one percent of the Owners, shall in each case be deemed to refer to, and shall mean, the Majority Holders.

SECTION 5.06. Acknowledgement Regarding Series 2015 Acquisition and Construction Account Moneys Following an Event of Default. In accordance with the provisions of the Indenture, upon the occurrence of an Event of Default with respect to the Series 2015 Bonds, the Series 2015 Bonds are payable solely from the Pledged Revenues and any other moneys held by the Trustee under the Indenture for such purpose. Anything in the Indenture to the contrary notwithstanding, the Issuer hereby acknowledges that, upon the occurrence of an Event of Default with respect to the Series 2015 Bonds, (i) the Pledged Funds includes, without limitation, all amounts on deposit in the Series 2015 Acquisition and Construction Account of the Acquisition and Construction Fund then held by the Trustee, (ii) the Pledged Funds may not be used by the Issuer (whether to pay costs of the Project or otherwise) without the consent of the Majority Owners and (iii) the Pledged Funds may be used by the Trustee, at the direction or with the approval of the Majority Owners, to pay costs and expenses incurred in connection with the pursuit of remedies under the Indenture.

SECTION 5.07. Enforcement of True-Up Agreement and Completion Agreement. The District, either through its own actions, or actions caused to be taken through the Trustee, covenants that it shall strictly enforce all of the provisions of the Completion Agreement and the True-Up Agreement, and, upon the occurrence and continuance of a default under either or both of such Agreements, the District covenants and agrees that the Trustee, at the direction of the Majority Owners shall act on behalf of, and in the District's stead, to enforce the provisions of such Agreements and to pursue all available remedies under applicable law or in equity. Anything herein or in the Master Indenture to the contrary notwithstanding, failure of the District to enforce, or permit the Trustee to enforce in its stead, all of the provisions of the Completion Agreement and the True-Up Agreement upon demand of the Majority Owners, or the Trustee at the direction of the Majority Owners, shall constitute an Event of Default under the Indenture without benefit of any period for cure.

SECTION 5.08. Assignment of District's Rights Under Collateral Assignment. The District hereby assigns its rights under the Collateral Assignment to the Trustee for the benefit of the Owners, from time to time, of Bonds Outstanding under the Indenture. The Trustee shall act in accordance with the directions of the Majority Owners.

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ARTICLE VI

MISCELLANEOUS PROVISIONS

SECTION 6.01. Interpretation of Supplemental Indenture. This Third Supplemental Indenture amends and supplements the Master Indenture with respect to the Series 2015 Bonds, and all of the provisions of the Master Indenture, to the extent not inconsistent herewith, are incorporated in this Third Supplemental Indenture by reference. To the maximum extent possible, the Master Indenture and the Supplemental Indenture shall be read and construed as one document.

SECTION 6.02. Amendments. Any amendments to this Third Supplemental Indenture shall be made pursuant to the provisions for amendment contained in the Master Indenture.

SECTION 6.03. Counterparts. This Third Supplemental Indenture may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.

SECTION 6.04. Appendices and Exhibits. Any and all schedules, appendices or exhibits referred to in and attached to this Third Supplemental Indenture are hereby incorporated herein and made a part of this Third Supplemental Indenture for all purposes.

SECTION 6.05. Payment Dates. In any case in which an Interest Payment Date, Quarterly Redemption Date or the maturity date of the Series 2015 Bonds or the date fixed for the redemption of any Series 2015 Bonds shall be other than a Business Day, then payment of interest, principal or Redemption Price need not be made on such date but may be made on the next succeeding Business Day, with the same force and effect as if made on the due date, and no interest on such payment shall accrue for the period after such due date if payment is made on such next succeeding Business Day.

SECTION 6.06. No Rights Conferred on Others. Nothing herein contained shall confer any right upon any Person other than the parties hereto and the Holders of the Series 2015 Bonds.

SECTION 6.07. Patriot Requirements of Trustee. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust, or other legal entity, the Trustee will ask for documentation to verify such non-individual person's formation and existence as a legal entity. The Trustee may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

SECTION 6.08. Brokerage Requirements. The Issuer acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the

Issuer the right to receive individual confirmations of security transactions at no additional cost, as they occur, the Issuer specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Issuer periodic cash transaction statements that include detail for all investment transactions made by the Trustee hereunder.

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IN WITNESS WHEREOF, Flow Way Community Development District has caused this Third Supplemental Trust Indenture to be executed by the Chairman of its Board of Supervisors and its corporate seal to be hereunto affixed and attested by the Secretary of its Board of Supervisors and U.S. Bank National Association has caused this Third Supplemental Trust Indenture to be executed by one of its Vice Presidents, all as of the day and year first above written.

SEAL

**FLOW WAY COMMUNITY DEVELOPMENT
DISTRICT**

Attest:

By: _____
John Asher, Chairperson
Board of Supervisors

James P. Ward, Secretary

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

By: _____
Scott Schuhle, Vice President

EXHIBIT A

FORM OF SERIES 2015 BOND

R-1

\$_____ [Par Amount]

UNITED STATES OF AMERICA

STATE OF FLORIDA

FLOW WAY COMMUNITY DEVELOPMENT DISTRICT

(Collier County, Florida)

Special Assessment Bonds, Series 2015

(Phase 4 Project)

Interest	Maturity		
<u>Rate</u>	<u>Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
[_____]%	November 1, 20[____]	December __, 2015	[_____]

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: [_____] DOLLARS

KNOW ALL PERSONS BY THESE PRESENTS that Flow Way Community Development District (the "Issuer"), for value received, hereby promises to pay to the registered owner shown above or registered assigns, on the date specified above, from the sources hereinafter mentioned, upon presentation and surrender hereof at the designated corporate trust office of U.S. Bank National Association, located in Ft. Lauderdale, Florida, as paying agent (said bank and/or any bank or trust company to become successor paying agent being herein called the "Paying Agent"), the principal amount set forth above with interest thereon at the rate per annum set forth above, payable on the first day of May and November of each year, commencing May 1, 2016. Principal of this Bond is payable at the designated corporate trust office of U.S. Bank National Association located in Ft. Lauderdale, Florida in lawful money of the United States of America. Except when registration of this Bond is being maintained pursuant to a book-entry only system, interest on this Bond is payable by check or draft of the Paying Agent made payable to the registered owner and mailed to the address of the registered owner as such name and address shall appear on the registry books of the Issuer maintained by U.S. Bank National Association, as Registrar (said Registrar and any successor Registrar being herein called the "Registrar") at the close of business on the fifteenth day of the calendar month preceding each interest payment date or the date on which the principal of this Bond is to be paid (the "Record Date"). Such interest shall be payable from the most recent interest payment date next preceding the date of authentication hereof to which interest has been paid, unless the date of authentication hereof is a May 1 or November 1 to which interest has been paid, in which case from such date of authentication, or unless the date hereof is prior to May 1, 2016, in

which case from the dated date of this Bond specified above, or unless the date of authentication hereof is between a Record Date and the next succeeding interest payment date, in which case from such interest payment date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such Record Date and may be paid to the person in whose name this Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Paying Agent, notice whereof shall be given to Bondholders of record as of the fifth (5th) day prior to such mailing, at their registered addresses, not less than ten (10) days prior to such Special Record Date, or may be paid, at any time in any other lawful manner, as more fully provided in the Indenture (defined below). The foregoing notwithstanding, any Owner of Bonds in an aggregate principal amount of at least \$1,000,000 shall be entitled to have interest paid by wire transfer to such Owner to the bank account number on file with the Paying Agent, upon requesting the same in a writing received by the Paying Agent at least fifteen (15) days prior to the relevant Interest Payment Date, which writing shall specify the bank, which shall be a bank within the United States, and bank account number to which interest payments are to be wired. Any such request for interest payments by wire transfer shall remain in effect until rescinded or changed, in a writing delivered by the Owner to the Paying Agent, and any such rescission or change of wire transfer instructions must be received by the Paying Agent at least fifteen (15) days prior to the relevant Interest Payment Date.

THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY OUT OF THE PLEDGED REVENUES PLEDGED THEREFOR UNDER THE INDENTURE AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE ISSUER, COLLIER COUNTY, FLORIDA, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE BONDS, EXCEPT THAT THE ISSUER IS OBLIGATED UNDER THE INDENTURE TO LEVY, AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, SERIES 2015 SPECIAL ASSESSMENTS (AS DEFINED IN THE INDENTURE) TO SECURE AND PAY THE BONDS. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER, COLLIER COUNTY, FLORIDA, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

This Bond is one of an authorized series of Bonds of Flow Way Community Development District (the "District"), a community development district duly created, organized and existing under the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), and Ordinance No. 02-09 enacted by the Board of County Commissioners of Collier County, Florida on February 26, 2002, designated as "Flow Way Community Development District (Collier County, Florida) Special Assessment Bonds, Series 2015 (Phase 4 Project) (the "Series 2015 Bonds"), in the aggregate principal amount of \$_____ of like date, tenor and effect, except as to number. The Series 2015 Bonds are being issued under authority of the laws and Constitution of the State of Florida, including particularly the Act. Proceeds of the Series 2015 Bonds shall be used to (i) pay a portion of the costs of the Phase 4 Project, (ii) fund the Debt Service Reserve Requirement for

the Series 2015 Bonds, (iii) the payment of a portion of the interest to come due on the Series 2015 Bonds, and (iv) pay the costs of issuance of the Series 2015 Bonds. The Series 2015 Bonds shall be issued as fully registered Bonds in authorized denominations, as set forth in the Indenture. The Series 2015 Bonds are issued under, and are secured and governed by, a Master Trust Indenture dated as of December 1, 2013 (the "Master Indenture"), by and between the Issuer and the Trustee, as supplemented and amended by a Third Supplemental Trust Indenture dated as of December 1, 2015 (the "Third Supplemental Indenture"), by and between the Issuer and the Trustee (the Master Indenture and the Third Supplemental Indenture together are referred to herein as the "Indenture"), executed counterparts of which are on file at the designated corporate trust office of the Trustee in Ft. Lauderdale, Florida.

Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of the Series 2015 Bonds issued under the Indenture, the operation and application of the Series 2015 Debt Service Reserve Account and other Funds and Accounts (each as defined in the Indenture) charged with and pledged to the payment of the principal of and interest on the Series 2015 Bonds, the levy, and the evidencing and certifying for collection, of Series 2015 Special Assessments, the nature and extent of the security for the Series 2015 Bonds, the terms and conditions on which the Series 2015 Bonds are issued and on which additional Bonds and refunding Bonds payable from Pledged Revenues may be issued on a parity herewith, the rights, duties and obligations of the Issuer and of the Trustee under the Indenture, the conditions under which such Indenture may be amended without the consent of the registered owners of Bonds, the conditions under which such Indenture may be amended with the consent of the registered owners of a majority in aggregate principal amount of the Series 2015 Bonds outstanding, and as to other rights and remedies of the registered owners of the Series 2015 Bonds.

The registered owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

It is expressly agreed by the registered owner of this Bond that such registered owner shall never have the right to require or compel the exercise of the ad valorem taxing power of the Issuer, Collier County, Florida, the State of Florida or any political subdivision thereof, or taxation in any form of any real or personal property of the Issuer, Collier County, Florida, the State of Florida or any political subdivision thereof, for the payment of the principal of, premium, if any, and interest on this Bond or the making of any other sinking fund and other payments provided for in the Indenture, except for Series 2015 Special Assessments to be assessed and levied by the Issuer as set forth in the Indenture.

By the acceptance of this Bond, the registered owner hereof assents to all the provisions of the Indenture.

This Bond is payable from and secured by Pledged Revenues, as such term is defined in the Indenture, all in the manner provided in the Indenture. The Indenture provides for the levy, and the evidencing and certifying, of non-ad valorem assessments in the form of Series 2015 Special Assessments to secure and pay the Series 2015 Bonds.

The Series 2015 Bonds are subject to redemption prior to maturity in the amounts, at the times and in the manner provided below. All payments of the redemption price of the Series 2015 Bonds shall be made on the dates specified below. If less than all the Series 2015 Bonds are to be redeemed pursuant to an optional redemption or an extraordinary mandatory redemption, the portions of the Series 2015 Bonds to be redeemed will be selected as provided in the Master Indenture. Partial redemption of Series 2015 Bonds shall be made in such a manner that the remaining Series 2015 Bonds held by each Bondholder shall be in Authorized Denominations.

Optional Redemption

The Series 2015 Bonds may, at the option of the Issuer, be called for redemption prior to maturity in whole or in part at any time on or after November 1, 20__ (less than all Series 2015 Bonds to be selected by lot), at a Redemption Price equal to 100% of the principal amount of Series 2015 Bonds to be redeemed plus accrued interest from the most recent Interest Payment Date to the redemption date.

Extraordinary Mandatory Redemption

The Series 2015 Bonds are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole, on any date, or in part, on any Quarterly Redemption Date, at an extraordinary mandatory redemption price equal to 100% of the principal amount of the Series 2015 Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

(i) from Series 2015 Prepayment Principal deposited into the Series 2015 Prepayment Account of the Series 2015 Bond Redemption Fund following the payment in whole or in part of Series 2015 Special Assessments on any portion of the District Lands in accordance with the provisions of the Indenture, including with excess moneys transferred from the Series 2015 Debt Service Reserve Account to the Series 2015 Prepayment Account of the Series 2015 Bond Redemption Fund resulting from such Series 2015 Special Assessment prepayments pursuant to the Indenture.

(ii) from amounts on deposit in the Series 2015 Debt Service Reserve Account in excess of the Debt Service Reserve Requirement for the Series 2015 Bonds and transferred to the Series 2015 Prepayment Account of the Series 2015 Bond Redemption Fund in accordance with the Indenture to be used for the extraordinary mandatory redemption of the Series 2015 Bonds.

(iii) on or after the Completion Date of the Phase 4 Project, by application of moneys remaining in the Series 2015 Acquisition and Construction Account of the

Acquisition and Construction Fund not reserved by the Issuer for the payment of any remaining part of the Cost of the Phase 4 Project, all of which shall be transferred to the Series 2015 General Account of the Series 2015 Bond Redemption Fund, credited toward extinguishment of the Series 2015 Special Assessments and applied toward the redemption of the Series 2015 Bonds in accordance with the manner it has credited such excess moneys toward extinguishment of Series 2015 Special Assessments which the Issuer shall describe to the Trustee in writing.

(iv) following condemnation or the sale of any portion of the Phase 4 Project to a governmental entity under threat of condemnation by such governmental entity and the payment of moneys which are not to be used to rebuild, replace or restore the taken portion of the Phase 4 Project to the Trustee by or on behalf of the Issuer for deposit into the Series 2015 General Account of the Series 2015 Bond Redemption Fund in order to effectuate such redemption and, which moneys shall be applied by the Issuer to redeem Series 2015 Bonds in accordance with the manner it has credited such moneys toward extinguishment of Series 2015 Special Assessments which the Issuer shall describe to the Trustee in writing.

(v) following the damage or destruction of all or substantially all of the Phase 4 Project to such extent that, in the reasonable opinion of the Issuer, the repair and restoration thereof would not be economical or would be impracticable, to the extent of amounts paid by the Issuer to the Trustee for deposit to the Series 2015 General Account of the Series 2015 Bond Redemption Fund which moneys shall be applied by the Issuer to redeem Series 2015 Bonds in accordance with the manner it has credited such moneys toward extinguishment of Series 2015 Special Assessments; provided, however, that at least forty-five (45) days prior to such extraordinary mandatory redemption, the Issuer shall cause to be delivered to the Trustee (x) notice setting forth the redemption date and (y) a certificate of the Consulting Engineer confirming that the repair and restoration of the Phase 4 Project would not be economical or would be impracticable, such certificate upon which the Trustee shall be entitled to rely.

(vi) from moneys, if any, on deposit in the Series 2015 Funds and Accounts (other than the Rebate Fund) sufficient to pay and redeem all Outstanding Series 2015 Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the Master Indenture.

Mandatory Sinking Fund Redemption.

The Series 2015 Bonds maturing on November 1, 20__ are subject to mandatory redemption in part by the Issuer by lot prior to their scheduled maturity from moneys in the Series 2015 Sinking Fund Account established under the Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on November 1 of the years and in the principal amounts set forth below:

<u>Year (November 1)</u>	<u>Amortization Installment</u>	<u>Year (November 1)</u>	<u>Amortization Installment</u>
	\$		\$

*

*Maturity.

The Series 2015 Bonds maturing on November 1, 20__ are subject to mandatory redemption in part by the Issuer by lot prior to their scheduled maturity from moneys in the Series 2015 Sinking Fund Account established under the Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on November 1 of the years and in the principal amounts set forth below:

<u>Year (November 1)</u>	<u>Amortization Installment</u>	<u>Year (November 1)</u>	<u>Amortization Installment</u>
	\$		\$

*

*Maturity.

The Series 2015 Bonds maturing on November 1, 20__ are subject to mandatory redemption in part by the Issuer by lot prior to their scheduled maturity from moneys in the Series 2015 Sinking Fund Account established under the Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on November 1 of the years and in the principal amounts set forth below:

<u>Year (November 1)</u>	<u>Amortization Installment</u>	<u>Year (November 1)</u>	<u>Amortization Installment</u>
	\$		\$

*

*Maturity.

Notice of Redemption

The Trustee shall cause notice of redemption to be mailed at least thirty (30) but not more than sixty (60) days prior to the date of redemption to all registered owners of Bonds to be redeemed (as such owners appear on the books of the Registrar on the fifth (5th) day prior to such mailing) and to certain additional parties as set forth in the Indenture; provided, however, that failure to mail any such notice or any defect in the notice or the mailing thereof shall not affect the validity of the redemption of the Bonds for which such notice was duly mailed in accordance with the Indenture. If less than all of the Bonds shall be called for redemption, the notice of redemption shall specify the Bonds to be redeemed. On the redemption date, the Bonds called for redemption will be payable at the designated corporate trust office of the Paying Agent and on such date interest shall cease to accrue, such Bonds shall cease to be entitled to any benefit under the Indenture and such Bonds shall not be deemed to be outstanding under the provisions of the Indenture and the registered owners of such Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof. If at the time of mailing of notice of an redemption the Issuer shall not have deposited with the Trustee moneys sufficient to redeem or purchase all the Bonds called for redemption or purchase, then the notice of redemption shall be entitled "CONDITIONAL NOTICE OF REDEMPTION" or "CONDITIONAL NOTICE OF PURCHASE," as appropriate, and shall expressly state that the redemption or purchase, as appropriate, is conditional 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. If the amount of funds so deposited with the Trustee, or otherwise available, is insufficient to pay the redemption price and interest on all Bonds so called for redemption on such date, the Trustee shall redeem and pay on such date an amount of such Bonds for which such funds are sufficient, selecting the Bonds to be redeemed by lot from among all such Bonds called for redemption on such date, and interest on any Bonds not paid shall continue to accrue, as provided in the Indenture.

This Bond shall be issued initially pursuant to a book-entry-only system administered by The Depository Trust Company, New York, New York ("DTC"), which shall act as securities depository for the Bonds, with no physical distribution of Bonds to be made. Any provisions of the Indenture or this Bond requiring physical delivery of Bonds shall, under the book-entry-only system, be deemed to be satisfied by a notation on the records maintained by DTC of ownership interests of its participants ("DTC Participants") and other institutions that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly ("Indirect Participants"). DTC Participants and Indirect Participants will be responsible for maintaining records with respect to the beneficial ownership interests of individual purchasers of the Bonds ("Beneficial Owners").

This Bond shall initially be issued in the name of Cede & Co. as nominee for DTC, and so long as this Bond is held in book-entry-only form Cede & Co. shall be considered the registered owner for all purposes hereof, including the payment of the principal of and interest on this Bond. Payment to DTC Participants shall be the responsibility of DTC. Payments by DTC Participants to Indirect Participants, and by DTC Participants and Indirect Participants to individual Beneficial Owners shall be the responsibility of DTC Participants and Indirect Participants and not of DTC, the Issuer or the Trustee.

The Issuer shall keep books for the registration of the Bonds at the designated corporate trust office of the Registrar in Ft. Lauderdale, Florida. Except when registration of the Bonds is being maintained pursuant to a book-entry-only system, the Bonds may be transferred or exchanged by the registered owner thereof in person or by his attorney duly authorized in writing only upon the books of the Issuer kept by the Registrar and only upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney. In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Issuer shall execute and the Trustee or such other authenticating agent as may be appointed by the Trustee under the Indenture shall authenticate and deliver a new Bond or Bonds in authorized form and in like aggregate principal amount in accordance with the provisions of the Indenture. There shall be no charge for any such exchange or transfer of Bonds, but the Issuer may require payment of a sum sufficient to pay any tax, fee or other governmental charge imposed. Neither the Issuer nor the Registrar shall be required (a) to transfer or exchange Bonds for a period of 15 days next preceding any selection of Bonds to be redeemed or thereafter until after the mailing of any notice of redemption; or (b) to transfer or exchange any Bond called for redemption in whole or in part.

The Issuer, the Trustee, the Paying Agent and the Registrar may deem and treat the person in whose name any Bond shall be registered upon the books kept by the Registrar as the absolute owner thereof (whether or not such Bond shall be overdue and notwithstanding any notation of ownership or other writing thereon made by anyone other than the Issuer, the Trustee, the Paying Agent or the Registrar) for the purpose of receiving payment of or on account of the principal of, premium, if any, and interest on such Bond as the same becomes due, and for all other purposes. All such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Issuer, the Trustee, the Paying Agent nor the Registrar shall be affected by any notice to the contrary.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen, and to be performed, precedent to and in the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the laws and Constitution of the State of Florida applicable thereto, including particularly the Act, and that the issuance of this Bond, and of the issue of the Bonds of which this Bond is one, is in full compliance with all constitutional and statutory limitations or provisions.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Indenture until it shall have been authenticated by execution of the Trustee, or such other authenticating agent as may be appointed by the Trustee under the Indenture, of the certificate of authentication endorsed hereon.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, Flow Way Community Development District has caused this Bond to be signed by the manual signature of the Chairman of its Board of Supervisors and a facsimile of its seal to be imprinted hereon, and attested by the manual signature of the Secretary of its Board of Supervisors, all as of the date hereof.

[SEAL]

**FLOW WAY COMMUNITY
DEVELOPMENT DISTRICT**

Attest:

By: _____
Chairman
Board of Supervisors

Secretary, Board of Supervisors

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds delivered pursuant to the within mentioned Indenture.

Date of Authentication: December __, 2015

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By: _____
Vice President

STATEMENT OF VALIDATION

This Bond is one of a series of Bonds which were validated by judgment of the Circuit Court of the Twentieth Judicial Circuit of Florida, in and for Collier County, Florida, rendered on the 29th day of October, 2013.

Chairman, Board of Supervisors

Secretary, Board of Supervisors

ABBREVIATIONS

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

TEN COM as tenants in common
TEN ENT as tenants by the entireties
JT TEN as joint tenants with the right of survivorship and not as tenants in common

UNIFORM GIFT MIN ACT - _____ Custodian
(Cust) (Minor)
under Uniform Gifts to Minors Act
(State)

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

ASSIGNMENT AND TRANSFER

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____

(please print or typewrite name and address of assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ Attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guarantee:

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

EXHIBIT B

FORM OF INVESTOR LETTER

December __, 2015

Flow Way Community Development District
c/o James P. Ward & Associates, LLC
2041 N.E. 6th Terrace
Wilton Manors, Florida 33305

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

U.S. Bank National Association
Global Corporate Trust Services
550 West Cypress Creek Road, Suite 380
Ft. Lauderdale, Florida 33309

Re: \$_____ Flow Way Community Development District (Collier
County, Florida) Special Assessment Bonds, Series 2015 (Phase 4 Project)
(the "Bonds")

Ladies and Gentlemen:

The undersigned is authorized to sign this letter [on behalf of [Name of Beneficial Owner]], as the beneficial owner (the "Purchaser") of \$_____ of the above-referenced Bonds maturing on _____, bearing interest at the rate of ____% per annum and CUSIP # _____.

The undersigned acknowledges that the Bonds were issued for the purpose of providing a portion of the funds necessary to finance the acquisition and construction of certain public infrastructure described in the Preliminary Limited Offering Memorandum dated November __, 2015 ("Offering Document"), each of the Flow Way Community Development District (the "Issuer") and relating to the Bonds. The undersigned further acknowledges that the Bonds, which include the Bonds, are secured under that certain Master Trust Indenture dated as of December 1, 2013 (the "Master Indenture"), as supplemented and amended by the Third Supplemental Trust Indenture dated as of December 1, 2015 ("Third Supplement" and collectively with the Master Indenture, the "Indenture"), each between the Issuer and U.S. Bank National Association, as trustee (the "Trustee"), which creates a security interest in the trust estate described therein (the "Security") for the benefit of the Owners of the Bonds. Capitalized terms used, but not defined, herein shall have the meanings assigned thereto in the Indenture.

In connection with the purchase of the Bonds by the Purchaser, the Purchaser hereby makes the following certifications, representations and warranties upon which you may rely:

1. The Purchaser has authority to purchase the Bonds and to execute this letter, any other instruments and documents required to be executed by the Purchaser in connection with the purchase of the Bonds.

2. The Purchaser is an “accredited investor” within the meaning of Chapter 517, Florida Statutes, and the rules of the Florida Department of Financial Services promulgated thereunder, and the Purchaser is purchasing the Bonds for its own account and not with a view to distribution; provided that any subsequent disposition or transfer of the Bonds shall at all times remain in control of the Owner thereof.

3. The Purchaser has been supplied with a copy (either electronic or printed) of the Offering Document and has reviewed the Offering Document and represents that such Offering Document has provided full and meaningful disclosure in order to make an informed decision to invest in the Bonds.

4. The Purchaser has read the Offering Document relating to the Bonds, understands the risks described therein including, without limitation, the information relating to the Issuer, the Developer, the Project, the Phase 4 Project and the risks associated with purchasing or owning the Bonds, and has independently evaluated the factors associated with its investment decision to purchase the Bonds.

5. The Purchaser understands that the Bonds are not registered under the Securities Act and that such registration is not legally required as of the date hereof; and further understands that the Bonds (a) are not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, (c) will not carry a rating from any rating service and (d) will be delivered in a form which is not readily marketable.

6. The Purchaser has extensive experience in financial and business matters, including the purchase of bonds issued by a special district of the State of Florida (the “State”) wherein the obligation of the special district to make said payments constitutes a limited obligation payable solely from special assessments levied by the special district for such purpose, and the Purchaser is able, independently, to evaluate the merits of, and to bear the risk of, the investment represented by the purchase of the Bonds.

7. The Purchaser understands that (a) the Bonds are not secured by any pledge of any moneys received or to be received from any taxation by the Issuer, State of Florida or any political subdivision thereof, (b) the Bonds do not and will not represent or constitute a general obligation or a pledge of the faith and credit of the Issuer, the State of Florida or any political subdivision thereof; and (c) the liability of the Issuer with respect to the Bonds is limited to the Security as set forth in the Indenture.

8. The Purchaser acknowledges and agrees that its rights to challenge, object, enforce or otherwise make claims related to the Bonds and this transaction are limited to those provided for in the Indenture.

Very truly yours,

[Name of Beneficial Owner]

By: _____

Name: _____

Title: _____

Date: _____

Or

[Name], an Individual

EXHIBIT B

FORM OF BOND PURCHASE CONTRACT

\$ _____
FLOW WAY COMMUNITY DEVELOPMENT DISTRICT
(COLLIER COUNTY, FLORIDA)
SPECIAL ASSESSMENT BONDS, SERIES 2015 (PHASE 4 PROJECT)

BOND PURCHASE CONTRACT

November __, 2015

Board of Supervisors
Flow Way Community Development District
Collier County, Florida

Dear Gentlemen:

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

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the District and the District hereby agrees to sell and deliver to the Underwriter, all (but not less than all) of its \$_____ aggregate principal amount of Flow Way Community Development Special Assessment Bonds, Series 2015 (Phase 4 Project) (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 the Preliminary Limited Offering Memorandum and in Exhibit B attached hereto. The purchase price for the Bonds shall be \$_____ (representing the \$_____ aggregate principal amount of the Bonds, less [original issue discount of \$_____ and] an underwriter's discount of \$_____). Payment of the purchase price and delivery of the Bonds and the other actions contemplated hereby to take place at the time of such payment and delivery are hereinafter referred to as the "Closing".

2. The Bonds. The Bonds are to be issued by the District, a local unit of special-purpose government of the State of Florida (the "State") created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended, any

successor statute thereto, the Florida Constitution, and other applicable provisions of law (collectively, the "Act"), and by Ordinance No. 02-09 of the Board of County Commissioners of the County, effective March 4, 2002 (the "Ordinance"). The Bonds are being issued pursuant to the Act and secured pursuant to the provisions of a Master Trust Indenture dated as of December 1, 2013 (the "Master Indenture"), as supplemented by a Third Supplemental Trust Indenture dated as of December 1, 2015 (the "Third Supplemental Indenture", and together with the Master Indenture, the "Indenture") each by and between the District and U.S. Bank National Association, as successor trustee (the "Trustee") and Resolution No. 2013-16 and Resolution No. 2016-__ adopted by the Board of Supervisors of the District (the "Board") on June 11, 2013 and November 9, 2015, respectively (collectively, the "Bond Resolution"). The Series 2015 Special Assessments, the revenues from which comprise the Series 2015 Pledged Revenues, have been levied by the District on the lands within the District specially benefited by the Phase 4 Project pursuant to the Assessment Resolution (as such term is defined in the Third Supplemental Indenture).

3. Limited Offering. 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 and/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 the Preliminary Limited Offering Memorandum, dated November __, 2015 (the "Preliminary Limited Offering Memorandum"), of the District, relating to the Bonds that the District has deemed final as of its date, except for certain permitted omissions (the "Permitted Omissions"), as contemplated by Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12" or the "Rule") in connection with the limited offering of the Bonds. The Underwriter has reviewed the Preliminary Limited Offering Memorandum prior to the execution of this Purchase Contract. The District hereby represents that it has, prior to the date hereof, authorized the use of the Preliminary Limited Offering Memorandum by the Underwriter in connection with the limited offering of the Bonds. The District shall deliver, or cause to be delivered, at its expense, to the Underwriter within seven (7) business days after the date hereof but not later than three (3) business dates prior to the Closing Date (as defined below) and in sufficient time to allow the Underwriter to comply with all requirements of the Rule and all applicable securities laws and the rules of the Municipal Securities Rulemaking Board (the "MSRB"), a final Limited Offering Memorandum (the "Limited Offering Memorandum" and, together with the Preliminary Limited Offering Memorandum, the "Limited Offering Memoranda"). The Underwriter agrees to file the Limited Offering Memorandum with the MSRB not later than two (2) business days after the Closing Date. The Underwriter agrees that it will not confirm the sale of any Bonds unless a final written confirmation of sale is accompanied or preceded by the delivery of a copy of the Limited Offering Memorandum. The District hereby authorizes the use by the Underwriter of the Limited Offering Memorandum with respect to the Bonds.

5. Definitions. For purposes hereof, (a) this Purchase Contract, the Bonds, the Indenture, the Continuing Disclosure Agreement to be dated as of the Closing Date, by and among the District, Taylor Morrison Esplanade Naples, LLC, a Florida limited liability company (the "Developer") and JPWard and Associates, LLC, as dissemination agent (the "Dissemination Agent"), in substantially the form attached to the Preliminary Limited Offering Memorandum as Appendix E thereto (the "Disclosure Agreement"), and the DTC Blanket Issuer Letter of Representations entered into by the District, are referred to herein collectively as the "Financing Documents", and (b) the Agreement Regarding the Completion of Certain Improvements by and between the District and the Developer, to be dated as of the Closing Date (the "Completion Agreement"), the Agreement regarding the Acquisition of Certain Real Work Product, Infrastructure and Real Property by and between the District and the Developer to be dated as of the Closing Date (the "Acquisition Agreement"), the Collateral Assignment and Assumption of Development Rights Relating to the Phase 4 Project in recordable form by and among the Developer and District to be dated as of the Closing Date (the "Collateral Assignment"), and the True Up Agreement in recordable form by and among the District, the Developer and the District Manager dated to be dated as of the Closing Date (the "True Up Agreement") are collectively referred to herein as the "Ancillary Agreements".

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

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

(b) The District has full legal right, power and authority to: (i) adopt the Bond Resolution and the Assessment Resolution; (ii) enter into the Financing Documents and Ancillary Agreements; (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 Preliminary Limited Offering Memorandum; (v) authorize the delivery and use of the Preliminary Limited Offering Memorandum and authorize the execution, delivery and use of the Limited Offering Memorandum; and (vi) carry out and consummate the transactions contemplated by the Bond Resolution, the Assessment Resolution, the Financing Documents, the Ancillary Agreements, and the Limited Offering Memoranda, including but not limited to entering into a Collection Agreement with the County Tax Collector and County Property Appraiser to provide for the collection of the Series 2015 Special 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, the Ancillary Agreements 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 same are in full force and effect and have not been supplemented, amended, modified or repealed, except as set forth therein. By all

necessary official Board action, the District has duly authorized and approved the use and delivery of the Preliminary Limited Offering Memorandum and the execution and delivery of the Financing Documents, the Ancillary Agreements, the Bonds and the Limited Offering Memorandum, has duly authorized and approved the performance by the District of the obligations on its part contained in the Financing Documents, the Ancillary Agreements and the 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 and the Ancillary Agreements will constitute the legal, valid and binding obligations of the District, enforceable in accordance with their respective terms; subject only to applicable bankruptcy, insolvency and similar laws affecting creditors' rights and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law);

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

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

(f) The descriptions of the Bonds, the Financing Documents, the Ancillary Agreements and the Phase 4 Project to the extent referred to in the Preliminary Limited Offering Memorandum, conform in all material respects to the Bonds, the Financing Documents, the Ancillary Agreements and the Phase 4 Project, respectively;

(g) The Bonds, when issued, executed and delivered in accordance with the Indenture and when sold to the Underwriter as provided herein, 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 and first lien on the Series 2015 Pledged Revenues. 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) As of the date hereof, 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 Preliminary Limited Offering Memorandum or the collection of Series 2015 Special Assessments or the pledge of and lien on the Series 2015 Pledged Revenues, 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 Phase 4 Project, the Bond Resolution, the Assessment Resolution, the Financing Documents and Ancillary Agreements to which the District is a party; (iv) contesting the federal tax exempt status of the Bonds; or (v) contesting the completeness or accuracy of the Preliminary Limited Offering Memorandum 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 SERIES 2015 BONDS – Book-Entry System," "THE DEVELOPMENT," "THE DEVELOPER," "TAX MATTERS," "SUITABILITY FOR INVESTMENT," "LITIGATION – The Developer," and "UNDERWRITING";

(k) If the Limited Offering Memorandum is supplemented or amended pursuant to subsection (1) of this Section 6, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto up to and including the Closing Date, the Limited Offering Memorandum as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that no representation is made concerning information contained in the Limited Offering Memorandum under the captions "DESCRIPTION OF THE SERIES 2015 BONDS – Book-Entry System," "THE DEVELOPMENT," "THE DEVELOPER," "TAX MATTERS," "SUITABILITY FOR INVESTMENT," "LITIGATION – The Developer," and "UNDERWRITING";

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

form and in a manner approved by the Underwriter. The end of the Underwriting Period shall be the next business day after the Closing Date;

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

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

(o) Except as may be expressly disclosed in the Preliminary Limited Offering Memorandum, the District has never failed to comply with any continuing disclosure obligations 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 Series 2015 Pledged Revenues.

7. Closing. At 10:00 a.m. prevailing time on December __, 2015 (the "Closing Date") or at such later time as may be mutually agreed upon by the District and the Underwriter, the District will, subject to the terms and conditions hereof, deliver 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, and

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

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

(b) At the time of the Closing, the Bond Resolution, the Assessment Resolution, the Bonds, the Financing Documents and the Ancillary Agreements 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 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) Executed copies of each of the Financing Documents and Ancillary Agreements in form and substance acceptable to the Underwriter and Underwriter's counsel;

(4) The opinion, dated as of the closing date, addressed to the District of Bryant, Miller & Olive, P.A., Bond Counsel, in the form included in the Preliminary Limited Offering Memorandum as Appendix B, 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 Underwriter, of Bryant, Miller & Olive, P.A., Bond Counsel, in the form annexed as Exhibit C hereto or otherwise in form and substance acceptable to the Underwriter;

(6) The opinion, dated as of the Closing Date and addressed to the District, the Trustee, Bond Counsel, the Underwriter and Underwriter's counsel, of Coleman, Yovanovich & Koester, P.A., counsel to the District, in the form annexed as Exhibit D hereto or otherwise in form and substance acceptable to the Underwriter;

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

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

(9) The opinion, dated as of the Closing Date and addressed to the District, the Trustee, the Underwriter and Underwriter's Counsel, of J. Wayne Crosby, P.A., counsel to the Developer, in the form annexed as Exhibit E hereto or otherwise in form and substance acceptable to the Underwriter;

(10) Certificate of the Developer dated as of the Closing Date, in the form annexed as Exhibit F hereto or otherwise in form and substance acceptable to the Underwriter;

(11) A copy of the Ordinance;

(12) A certificate, dated as of the Closing Date, signed by the Chairperson or Vice-Chairperson and the Secretary or an Assistant Secretary of the Board, setting forth that: (i) each of the representations of the District contained herein was true and accurate in all material respects on the date when made, has been true and accurate in all material respects at all times since, and continues to be true and accurate in all material respects on the Closing Date as if made on such date; (ii) the District has performed all obligations to be performed hereunder as of the Closing Date; (iii) except as may be disclosed in the Preliminary Limited Offering Memorandum, 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 Series 2015 Special Assessments as required by the Indenture and any related District agreements; and (v) the Limited Offering Memoranda (other than the information under the captions "DESCRIPTION OF THE SERIES 2015 BONDS – Book-Entry System," "THE DEVELOPMENT," "THE DEVELOPER," "TAX MATTERS," "SUITABILITY FOR INVESTMENT," "LITIGATION – The Developer," and "UNDERWRITING," as to which no view need be expressed) as of their respective dates, and as of the date hereof, do not contain any untrue statement of a material fact or omits to state a material fact which should be included therein for the purposes for which the Limited Offering Memoranda are 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;

(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's consulting engineer, dated as of the Closing Date, in the form annexed as Exhibit G hereto or otherwise in form acceptable to the Underwriter;

(18) A certificate of the District manager and methodology consultant in the form annexed as Exhibit H hereto or otherwise in form acceptable to the Underwriter;

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

(22) Copies of the preliminary and final "Flow Way Community Development District Series 2015 – Phase 4 Capital Improvement Program" dated _____, 2015 (the "Assessment Methodology") relating to the Bonds;

(23) A copy of the "Flow Way Community Development District Master Engineer's Report" dated August 2013 and "Flow Way Community Development District Phase 4 Engineer's Report for the 2015 Project" dated October 2015 (collectively, the "Engineer's Report");

(24) 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;

(25) A Declaration of Consent to Imposition of Special Assessments of the Developer with respect to all real property which is subject to the Series 2015 Special Assessments in form and substance acceptable to the Underwriter and Underwriter's Counsel;

(26) Acknowledgments in recordable form by all mortgage holder(s) on lands within any Assessment Area as to the superior lien of the Series 2015 Special Assessments in form and substance acceptable to Underwriter and Underwriter's Counsel.

(27) Evidence acceptable to the Underwriter in its sole discretion that the District has (i) adopted continuing disclosure policies and procedures sufficient to ensure future compliance with the District's continuing disclosure obligations under the Disclosure Agreement, and (ii) engaged a dissemination agent acceptable to the Underwriter for the Series 2015 Bonds;

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

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

If the District shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the 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 Closing:

(i) legislation shall have been introduced in or enacted by the Congress of the United States or enacted by the State, or legislation pending in the Congress of the United States shall have been amended, or legislation shall have been recommended to the Congress of the United States or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairperson or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation shall have been proposed for consideration by either such committee, by any member thereof, or legislation shall have been favorably reported for passage to either House of Congress of the United States by a committee of such House to which such legislation has been referred for consideration, or a decision shall have been rendered by a court of the United States or the State, including the Tax Court of the United States, or a ruling shall have been made or a regulation shall have been proposed or made or a press release or other form of notice shall have been issued by the Treasury Department of the United States, or the Internal Revenue Service or other federal or State authority, with respect to federal or State taxation upon revenues or other income of the general character to be derived by the District or by any similar body, or upon interest on obligations of the general character of the Bonds, which may have the purpose or effect, directly or indirectly, of materially and adversely affecting the tax exempt 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 or the Developer has, without the prior written consent of the Underwriter, offered or issued any bonds, notes or other obligations for borrowed money, or incurred any material liabilities, direct or contingent, or there has been an adverse change of a material nature in the financial position, results of operations or condition, financial or otherwise, of the District or the Developer, other than in the ordinary course of their respective 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 misleading; 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 Series 2015 Special Assessments.

10. Expenses.

(a) The District agrees to pay, and the Underwriter shall not be obligated to pay, any expenses incident to the performance of the District's obligations hereunder, including, but not limited to: (i) the cost of the preparation and distribution of the 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, special counsel to the Developer to the extent the work of such counsel is directly related to the issuance of the Bonds, the District's methodology consultant, the Consulting Engineer, the Trustee,

Trustee's Counsel and any other experts or consultants retained by the District; and (v) the cost of recording in the Official Records of the County any Financing Documents, Ancillary Agreements or other documents or certificates that are required to be recorded pursuant to the terms of this Purchase Contract. It is anticipated that such expenses shall be paid from the proceeds of the Bonds. The District shall record all documents required to be provided in recordable form hereunder within one business day after the Closing Date, which obligation shall survive the Closing.

(b) The Underwriter agrees to pay all advertising 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 the 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 any advisory or fiduciary responsibility in favor of the District with respect to the offering of the Bonds or the process leading thereto (whether or not any Underwriter, or any affiliate of an Underwriter, has advised or is currently advising 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 and financial 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 JPWard and Associates, LLC, 513 N.E. 13th Avenue, Ft. Lauderdale, Florida 33301, Attention: James P. Ward, and any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to FMSbonds, Inc., 20660 W. Dixie Highway, North Miami Beach, Florida 33180, Attention: Jon Kessler.

13. Parties in Interest; Survival of Representations. This Purchase Contract is made solely for the benefit of the District and the Underwriter (including the successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. All of the District's representations, warranties and agreements contained in this Purchase Contract shall remain operative and in full force and effect and survive the closing on the 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 November, 2015.

**FLOW WAY COMMUNITY
DEVELOPMENT DISTRICT**

By: _____
John Asher,
Chairperson, Board of Supervisors

EXHIBIT A

DISCLOSURE AND TRUTH-IN-BONDING STATEMENT

November ____, 2015

Flow Way Community Development District
Collier County, Florida

Re: \$_____ Flow Way Community Development District Special Assessment
Bonds, Series 2015 (Phase 4 Project)

Dear Ladies and Gentlemen:

Pursuant to Chapter 218.385, Florida Statutes, and with respect to the issuance of the above-referenced bonds (the "Bonds"), FMSbonds, Inc. (the "Underwriter"), having purchased the Bonds pursuant to a Bond Purchase Contract dated November ____, 2015 (the "Bond Purchase Contract"), by and between the Underwriter and Flow Way Community Development District (the "District"), furnishes the following information in connection with the Limited Offering and sale of the Bonds:

1. The total underwriting discount 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 Bonds.
3. The nature and estimated amounts of expenses to be incurred by the Underwriter in connection with the issuance of the 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: 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 Bonds.

The District is proposing to issue \$_____ aggregate amount of the Bonds for the purpose of providing moneys for (i) the payment of a portion of the costs of the Phase 4 Project, (ii) the funding of the Series 2015 Debt Service Reserve Account, (iii) the payment of a portion of the interest to come due on the Bonds, and (iv) the payment of the costs of issuance of the Bonds. This debt or obligation is expected to be repaid over a period of approximately

_____ (__) years. At a net interest cost of approximately _____% for the Bonds, total interest paid over the life of the Bonds will be \$_____.

The source of repayment for the Bonds is the Series 2015 Special Assessments imposed and collected by the District. Based solely upon the assumptions set forth in the paragraph above, the issuance of the 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 Bonds were not issued, the District would not be entitled to impose and collect the Series 2015 Special Assessments in the amount of the principal of and interest to be paid on the Bonds.

The address of the Underwriter is:

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

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	
<u>Electronic Orders</u>	
TOTAL:	

EXHIBIT B

TERMS OF BONDS

1. **Purchase Price:** \$_____ (representing the \$_____ aggregate principal amount of the Bonds, less [original issue discount of \$_____ and] 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>
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3. **Redemption Provisions:**

Optional Redemption

The Bonds may, at the option of the District, be called for redemption prior to maturity in whole or in part at any time on or after November 1, 20__ (less than all Bonds to be selected by lot), at a Redemption Price equal to 100% of the principal amount of Bonds to be redeemed plus accrued interest from the most recent Interest Payment Date to the redemption date.

Mandatory Sinking Fund Redemption

The Bonds maturing on November 1, 20__ are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2015 Sinking Fund Account established under the Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on November 1 of the years and in the principal amounts set forth below:

<u>Year</u> <u>(November 1)</u>	<u>Amortization</u> <u>Installment</u>	<u>Year</u> <u>(November 1)</u>	<u>Amortization</u> <u>Installment</u>
------------------------------------	---	------------------------------------	---

* Maturity.

The Bonds maturing on November 1, 20__ are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2015 Sinking Fund Account established under the Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of 100% of the principal amount thereof, without premium,

together with accrued interest to the date of redemption on November 1 of the years and in the principal amounts set forth below:

Year (November 1)	Amortization Installment	Year (November 1)	Amortization Installment
------------------------------	-------------------------------------	------------------------------	-------------------------------------

* Maturity.

The Bonds maturing on November 1, 20___ are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2015 Sinking Fund Account established under the Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on November 1 of the years and in the principal amounts set forth below:

Year (November 1)	Amortization Installment	Year (November 1)	Amortization Installment
------------------------------	-------------------------------------	------------------------------	-------------------------------------

* Maturity.

Extraordinary Mandatory Redemption

The Bonds are subject to extraordinary mandatory redemption prior to maturity by the District in whole, on any date, or in part, on any February 1, May 1, August 1 and November 1 (each a "Quarterly Redemption Date"), at an extraordinary mandatory redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

- (i) from Series 2015 Prepayment Principal deposited into the Series 2015 Prepayment Account of the Series 2015 Bond Redemption Fund following the payment in whole or in part of Series 2015 Special Assessments on any portion of the District Lands in accordance with the provisions of Section 4.05(a) of the Third Supplemental Indenture, including with excess moneys transferred from the Series 2015 Debt Service Reserve Account to the Series 2015 Prepayment Account of the Series 2015 Bond Redemption Fund resulting from such Series 2015 Special Assessment prepayments pursuant to Section 4.01(f)(ii) of the Third Supplemental Indenture.

(ii) from amounts on deposit in the Series 2015 Debt Service Reserve Account in excess of the Debt Service Reserve Requirement for the Bonds and transferred to the Series 2015 Prepayment Account of the Series 2015 Bond Redemption Fund in accordance with Section 6.05 of the Master Indenture and Section 4.01(f) of the Third Supplemental Indenture to be used for the extraordinary mandatory redemption of the Bonds.

(iii) on or after the Completion Date of the Phase 4 Project, by application of moneys remaining in the Series 2015 Acquisition and Construction Account of the Acquisition and Construction Fund not reserved by the Issuer for the payment of any remaining part of the Cost of the Phase 4 Project, all of which shall be transferred as specified in Section 4.01(a) of the Third Supplemental Indenture to the Series 2015 General Account of the Series 2015 Bond Redemption Fund, credited toward extinguishment of the Series 2015 Special Assessments and applied toward the redemption of the Bonds in accordance with the manner it has credited such excess moneys toward extinguishment of Series 2015 Special Assessments which the Issuer shall describe to the Trustee in writing.

(iv) following condemnation or the sale of any portion of the Phase 4 Project to a governmental entity under threat of condemnation by such governmental entity and the payment of moneys which are not to be used to rebuild, replace or restore the taken portion of the Phase 4 Project to the Trustee by or on behalf of the Issuer for deposit into the Series 2015 General Account of the Series 2015 Bond Redemption Fund in order to effectuate such redemption and, which moneys shall be applied by the Issuer to redeem Bonds in accordance with the manner it has credited such moneys toward extinguishment of Series 2015 Special Assessments which the Issuer shall describe to the Trustee in writing.

(v) following the damage or destruction of all or substantially all of the Phase 4 Project to such extent that, in the reasonable opinion of the Issuer, the repair and restoration thereof would not be economical or would be impracticable, to the extent of amounts paid by the Issuer to the Trustee for deposit to the Series 2015 General Account of the Series 2015 Bond Redemption Fund which moneys shall be applied by the Issuer to redeem Bonds in accordance with the manner it has credited such moneys toward extinguishment of Series 2015 Special Assessments; provided, however, that at least forty-five (45) days prior to such extraordinary mandatory redemption, the Issuer shall cause to be delivered to the Trustee (x) notice setting forth the redemption date and (y) a certificate of the Consulting Engineer confirming that the repair and restoration of the Phase 4 Project would not be economical or would be impracticable.

(vi) from moneys, if any, on deposit in the Series 2015 Funds and Accounts (other than the Rebate Fund) sufficient to pay and redeem all Outstanding Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the Master Indenture.

EXHIBIT C

BOND COUNSEL'S SUPPLEMENTAL OPINION

December __, 2015

Flow Way Community Development District
Collier County, Florida

FMSbonds, Inc.
North Miami Beach, Florida

Re: \$_____ Flow Way Community Development District Special Assessment
 Bonds, Series 2015 (Phase 4 Project)

Ladies and Gentlemen:

We have acted as Bond Counsel to the Flow Way Community Development District (the "District"), a community development district established and existing pursuant to Chapter 190 of the Florida Statutes, as amended (the "Act"), in connection with the issuance by the District of its \$_____ original aggregate principal amount of Flow Way Community Development District Special Assessment Bonds, Series 2015 (Phase 4 Project) (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 December 1, 2013, as supplemented and amended by that certain Third Supplemental Trust Indenture, dated as of December 1, 2015 by and between the District and U.S. Bank National Association, as successor 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 November __, 2015 (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.

2. We have reviewed the statements contained in the Limited Offering Memoranda under the captions "DESCRIPTION OF THE SERIES 2015 BONDS" (except for the information contained in the section captioned thereunder "Book-Entry System" as to which no opinion is expressed), "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2015 BONDS" (except for the information in the section captioned "Collateral Assignment and Assumption of Development and Contract Rights" as to which no opinion is expressed), and "APPENDIX A: COPY OF MASTER TRUST INDENTURE AND PROPOSED FORM OF THIRD SUPPLEMENTAL TRUST INDENTURE," and believe that insofar as such statements purport to summarize certain provisions of the Indenture, such statements present a fair and accurate summary of the sections of the Indenture purported to be summarized. We have also reviewed the information contained in the Limited Offering Memoranda under the section captioned "TAX MATTERS" and believe that such information is accurate.

Other than as set forth above, we express no opinion with respect to the accuracy, completeness, fairness or sufficiency of the Limited Offering Memoranda, the statistical or financial data contained therein, or any exhibits or attachments thereto. Our opinions expressed herein are predicated upon present laws, facts and circumstances, and we assume no affirmative obligation to update the opinions expressed herein if such laws, facts or circumstances change after the date hereof.

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

December __, 2015

Flow Way Community
Development District
Collier County, Florida

U.S. Bank National Association
Ft. Lauderdale, Florida

FMSbonds, Inc.
North Miami Beach, Florida

Bryant, Miller & Olive, P.A.
Orlando, Florida

GrayRobinson, P.A.
Tampa, Florida

Re: \$_____ Flow Way Community Development District
 (Collier County, Florida) Special Assessment Bonds, Series 2015
 (Phase 4 Project)

Ladies and Gentlemen:

We have acted as counsel to the Flow Way Community Development District (the "District"), a local unit of special-purpose government existing under the laws of the State of Florida (the "State"), particularly Chapter 190, Florida Statutes, as amended (the "Act") in connection with the authorization, issuance and sale of its \$_____ Special Assessment Bonds, Series 2015 (Phase 4 Project) ("Bonds"). In that capacity, we are familiar with matters relating to the preparation, execution and delivery of the Master Trust Indenture dated as of December 1, 2013 (the "Master Indenture"), as supplemented by the Third Supplemental Indenture dated as of December 1, 2015 (the "Supplemental Indenture", and, together with the Master Indenture, the "Indenture"), each by and between the District and U.S. Bank National Association, as successor trustee (the "Trustee").

The Bonds have been authorized and issued pursuant to the Act, the Florida Constitution and other applicable provisions of Florida law. The District was established by the Board of County Commissioners of Collier County, Florida, by Ordinance 02-09, effective March 4, 2002. The District was established for the purposes, among other things, of financing and managing the

planning, acquisition, construction, maintenance and operation of the major infrastructure within and without the boundaries governed by the District.

The Bonds are being issued pursuant to the Act, the Indenture and the Bond Resolution (as defined herein).

In our capacity as counsel to the District, we have examined Resolution No. 2013-16 and Resolution No. 2016-__ adopted by the Board of Supervisors of the District (the "Board") on June 11, 2013 and November 9, 2015, Resolution Nos. _____ and _____, adopted by the District on _____, 2015 and, _____, 2015, respectively (collectively, the "Assessment Resolution"), the final "Flow Way Community Development District Series 2015 – Phase 4 Capital Improvement Program" dated _____, 2015 (the "Assessment Methodology") for the Bonds dated November __, 2015, an opinion of counsel to the Trustee, an opinion of Bond Counsel, the Final Judgment Validating Bonds, certain certifications of the District Manager and District Financial Consultant and such other documents as we have deemed necessary or appropriate in rendering the opinions set forth below. Additionally, we have examined the Continuing Disclosure Agreement by and among the District, Taylor Morrison Esplanade Naples, LLC, and JPWard and Associates, LLC, dated December __, 2015 (the "Continuing Disclosure Agreement"), the Bond Purchase Agreement between the District and FMSbonds, Inc. dated December __, 2015 (the "Bond Purchase Agreement"), the Agreement Regarding the Completion of Certain Improvements by and between the District and the Developer, dated December __, 2015 (the "Completion Agreement"), the Agreement regarding the Acquisition of Certain Real Work Product, Infrastructure and Real Property by and between the District and the Developer dated December __, 2015 (the "Acquisition Agreement"), the Collateral Assignment and Assumption of Development Rights Relating to the Phase 4 Project by and among the Developer and District dated December __, 2015 (the "Collateral Assignment"), and the True Up Agreement by and between the District, the Developer and the District Manager dated December __, 2015 (the "True Up Agreement") (together, "Bond Agreements").

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 the District.

Based upon the foregoing and subject to the qualifications set forth below, we are of the opinion that:

1. 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 with such powers as set forth in the Act, with good, right and lawful authority: (a) to enter into and to consummate the transactions contemplated by the Bond Resolution, the Bond Purchase Agreement, and the Limited Offering Memorandum dated November __, 2015 for the Bonds (the "Limited Offering Memorandum"); (b) to issue the Bonds for the purpose for which they are issued; (c) to impose,

levy and collect the special assessments securing the Bonds (herein, the "Series 2015 Special Assessments") and pledge the Trust Estate (as defined in the Indenture) to secure the Bonds as provided in the Indenture; (d) to adopt the Bond Resolution and the Assessment Resolution; (e) to own and operate the Phase 4 Project; and (f) 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. The Bonds, Indenture, and the Bond Agreements have been duly authorized, executed and delivered by the District, are valid and binding upon the District and are enforceable against the District in accordance with their respective terms. The terms and provisions of the Indenture and the Bond Agreements are in full force and effect on the date hereof and compliance by the District therewith neither conflicts with, constitutes a default under or results in a breach of the terms of any constitutional provision, law or, to our knowledge, any regulation, order, writ, injunction, decree of any court or governmental entity, any agreement or instrument to which the District is a party or results or will result in the creation or imposition of any encumbrance upon any of the properties or assets of the District other than those contemplated by the Indenture.

3. All conditions precedent to the issuance of the Bonds, as prescribed in the Indenture, have been fulfilled.

4. The proceedings by the District with respect to the Series 2015 Special Assessments have been in accordance with Florida law. The District has taken all action necessary to levy and impose the Series 2015 Special Assessments. The Series 2015 Special Assessments constitute legal, valid, binding and enforceable first liens upon the property against which such Series 2015 Special Assessments are assessed, co-equal with the lien of all state, county, district and municipal taxes and assessments, and superior in dignity to all other liens, titles and claims, until paid.

5. To the best of our knowledge, there is no litigation pending or threatened against the District (i) 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 Series 2015 Special Assessments or the Trust Estate pledged for the payment of the debt service on the Bonds; (ii) contesting or affecting 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; (iii) 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 collect and pledge the Trust Estate for the payment of the debt service on the Bonds; and (iv) specifically contesting the exclusion from federal gross income of interest on the Bonds.

6. As of the date hereof, all necessary consents, approvals, waivers or other actions by or filings with any governmental authority or other entity, required for the adoption of the Bond Resolution and the Assessment Resolution and the execution and delivery of the Indenture, the Bonds, and the Bond Agreements and for the performance by the District of the transactions required hereby, have been duly obtained or made and are in full force and effect.

7. The District has duly authorized the execution, delivery, use and distribution of the Limited Offering Memorandum and has duly authorized the delivery, use and distribution of the Preliminary Limited Offering Memorandum dated November ___, 2015, as supplemented by that certain Supplement to Preliminary Limited Offering Memorandum dated November ___, 2015 (collectively, the "Preliminary Limited Offering Memorandum" and, together with the Limited Offering Memorandum, the "Limited Offering Memoranda").

8. To our knowledge, based upon our review of the Limited Offering Memoranda and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Limited Offering Memoranda, as of the date hereof, nothing has come to our attention which would lead us to believe that the Limited Offering Memoranda when taken as a whole, contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading (except for the financial information and statistical data contained in the Limited Offering Memoranda or in the Appendices thereto, the information regarding DTC and its book-entry only system of registration, the information contained in the sections titled "SUITABILITY FOR INVESTMENT," "LEGAL MATTERS," "UNDERWRITING", "AGREEMENT BY THE STATE", "LEGALITY FOR INVESTMENT," "LITIGATION – The Developer," "DESCRIPTION OF THE SERIES 2015 BONDS," "THE DEVELOPMENT," "THE DEVELOPER," "TAX MATTERS," "NO RATING," "MISCELLANEOUS," or any Appendices thereto, all information related to the tax-exempt status of the Bonds, or those matters contained in opinions of Bond Counsel, as to all of which no opinion is expressed).

9. The Bonds have been validated by a final judgment of the Circuit Court in and for Collier County, Florida, of which no timely appeal was filed.

This opinion is solely for the benefit of the addressees and this opinion may not be relied upon in any manner, nor used, by any other persons or entities.

In rendering all of the foregoing opinions, we have assumed the accuracy and truthfulness of all public records and of all certifications, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities and have not verified the accuracy or truthfulness thereof. We have also assumed the genuineness of the signatures appearing on such public records, certifications, documents and proceedings. We have also assumed the due authorization, execution and delivery of each document by each of the other parties thereto.

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.

The opinions or statements expressed above are based solely on the laws of Florida. Accordingly, we express no opinion nor make any statement regarding the effect or application

of the laws of the federal government, any other state or other jurisdiction. We express no opinion and make no representations with regard to taxes, assessments or other financial information or statistical data.

Very truly yours,

Coleman, Yovanovich & Koester, P.A.

For the Firm

EXHIBIT E

DEVELOPER'S COUNSEL'S OPINION

December ___, 2015

Flow Way Community Development District
Collier County, Florida

U.S. Bank National Association
Ft. Lauderdale, Florida

FMSbonds, Inc.
North Miami Beach, Florida

GrayRobinson, P.A.
Tampa, Florida

Re: \$_____ Flow Way Community Development District Special Assessment
Bonds, Series 2015 (Phase 4 Project) (the "Series 2015 Bonds")

Ladies and Gentlemen:

We are counsel to Taylor Morrison Esplanade Naples, LLC, a Florida limited liability company (the "Developer"), which is the developer of certain land within the master planned community located in unincorporated Collier County and commonly referred to as Flow Way (the "Development"), as both are described in the Limited Offering Memoranda (as hereinafter defined). This opinion is rendered at the request of the Developer in connection with the issuance by the Flow Way Community Development District (the "District") of the Series 2015 Bonds as described in the District's Preliminary Limited Offering Memorandum dated November __, 2015, and the District's final Limited Offering Memorandum, dated November __, 2015, including the appendices attached to each (collectively, the "Limiting Offering Memoranda"). It is our understanding that the Series 2015 Bonds are being issued to, among other things, provide funds to (i) pay a portion of the costs of the Phase 4 Project, (ii) fund the Series 2015 Debt Service Reserve Account in an amount equal to the Debt Service Reserve Requirement for the Series 2015 Bonds, and (iii) pay certain costs of issuance of the Series 2015 Bonds.

In our capacity as counsel to the Developer, we have examined originals or copies identified to our satisfaction as being true copies of the Limiting Offering Memoranda, the Agreement Regarding the Completion of Certain Improvements by and among the District and the Developer, dated December __, 2015, the Agreement to Convey or Dedicate by and between the District and the Developer dated December __, 2015, the Agreement regarding the Acquisition of Certain Real Work Product, Infrastructure and Real Property by and between the District and the Developer dated December __, 2015, the True-Up Agreement by and among the District, the Developer and the District Manager dated December __, 2015, the Collateral Assignment and Assumption of Development Rights Relating to the 2015 Project by and between the District and the Developer dated December __, 2015, the Declaration of Consent to

Jurisdiction of the Flow Way Community Development District, and Imposition of Special Assessments, and Imposition of Lien of Record by the Developer dated December ___, 2015, the Bill of Sale by the Developer dated December ___, 2015, the Certificate of Developer dated December ___, 2015 and the Continuing Disclosure Agreement by and among the District, the Dissemination Agent named therein and the Developer dated December ___, 2015 (collectively, the "Documents") and have made such examination of law as we have deemed necessary or appropriate in rendering this opinion. In connection with the forgoing, we have also reviewed and examined the Developer's Articles of Organization dated December 22, 2011, as amended by the Articles of Amendment to Articles of Organization dated January 23, 2013, the Limited Liability Company Agreement dated December 29, 2011, as amended by that certain First Amendment to Limited Liability Company Agreement of Taylor Morrison Esplanade Naples, LLC dated January 19, 2013, and Good Standing Certificate dated _____, 2015 (collectively, the "Organizational Documents").

In rendering this opinion, we have assumed, without having made any independent investigation of the facts, the genuineness of all signatures (other than those of the Developer and its parent companies) and the authenticity of all documents submitted to us as originals and the conformity to original documents of all documents submitted to us as certified, conformed or photostatic copies, and the legal capacity of all natural persons.

In basing the opinions set forth in this opinion on "our knowledge", the words "our knowledge" signify that, in the course of our representation of Developer, no facts have come to our attention that would give us actual knowledge or actual notice that any such opinions or other matters are not accurate. Except as otherwise stated in this opinion, we have undertaken no investigation or verification of such matters. Further, the words "our knowledge" as used in this opinion are intended to be limited to the actual knowledge of the attorneys within our firm who have been directly involved in representing Developer in connection with this transaction.

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

1. The Developer is a limited liability company organized and existing under the laws of the State of Florida.
2. The Developer has the power to conduct its business and to undertake the Development as described in the Limited Offering Memoranda and to enter into the Documents.
3. The Documents have been duly authorized, executed and delivered by the Developer and are in full force and effect. Assuming the due authorization, execution and delivery of such instruments by the other parties thereto and their authority to perform such instruments, the Documents constitute legal, valid and binding obligations of the Developer, enforceable in accordance with their respective terms.
4. Nothing has come to our attention that would lead us to believe the information contained in the Limited Offering Memoranda under the captions "CAPITAL IMPROVEMENT PLAN AND THE PHASE 4 PROJECT," "THE DEVELOPMENT", "THE DEVELOPER", "BONDOWNERS' RISKS" (as it relates to the Developer, the Development and non-specified Bondholder risks), and "LITIGATION – The Developer" does not accurately and fairly present

the information purported to be shown or contains any untrue statement of a material fact nor omits to state any material fact necessary to make the statement made therein, in light of the circumstances under which they were made, not misleading as of the respective dates of the Limited Offering Memoranda or as of the date hereof.

5. The execution, delivery and performance of the Documents by the Developer do not violate (i) the Developer's Organizational Documents, (ii) to our knowledge, any agreement, instrument or Federal or Florida law, rule or regulation known to us to which the Developer is a party or by which Developer's assets are or may be bound; or (iii) to our knowledge, any judgment, decree or order of any administrative tribunal, which judgment, decree, or order is binding on the Developer or its assets.

6. Nothing has come to our attention that would lead us to believe that the Developer is not in compliance in all material respects with all provisions of applicable law in all material matters relating to the Developer as described in the Limited Offering Memoranda. Except as otherwise described in the Limited Offering Memoranda, (a) we have no knowledge that the Developer has not received all government permits, approvals, consents and licenses required in connection with the construction and completion of the Development, the CIP and the 2015 Project as described in the Limited Offering Memoranda and the Engineer's Report, other than certain government permits, approvals, consents and licenses which are expected to be received in the ordinary course as needed; and (b) we have no actual knowledge of any default of any zoning condition, land use permit or development agreement which would adversely affect the Developer's ability to complete development of the Development as described in the Limited Offering Memoranda and all appendices thereto.

7. To our knowledge, the levy of the Series 2015 Special Assessments on the lands within the District will not conflict with or constitute a breach of or default under any agreement, indenture or other instrument to which the Developer is a party or to which the Developer or any of its property or assets is subject.

8. There is no litigation pending, and to the best of our knowledge, threatened, which would prevent or prohibit the development of the Development, the CIP or the Series 2014 Project in accordance with the descriptions thereof in the Limited Offering Memoranda and the Engineer's Report annexed thereto as Appendix C or which could result in any material adverse change in the respective business, properties, assets or financial condition of the Developer.

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

10. To our knowledge, the Developer is not in default under any mortgage, trust indenture, lease or other instrument to which it or any of its assets is subject, which default would have a material adverse effect on the Series 2015 Bonds or the Development.

This opinion is given as of the date hereof, and we disclaim any obligation to update this opinion letter for events occurring after the date of this opinion letter. The foregoing opinion applies only with respect to the laws of the State of Florida and the federal laws of the United States of America and we express no opinion with respect to the laws of any other jurisdiction. This letter is for the benefit of and may be relied upon solely by the addressees.

Sincerely,

J. Wayne Crosby, P.A.

EXHIBIT F

CERTIFICATE OF DEVELOPER

TAYLOR MORRISON ESPLANADE NAPLES, LLC, a Florida limited liability company, DOES HEREBY CERTIFY, that:

1. This Certificate of Taylor Morrison Esplanade Naples, LLC is furnished pursuant to Section 8(c)(10) of the Bond Purchase Contract dated November ____, 2015 (the "Purchase Contract") between Flow Way Community Development District (the "District") and FMSbonds, Inc. (the "Underwriter") relating to the sale by the District of its \$_____ original aggregate principal amount of Flow Way Community Development District Special Assessment Bonds, Series 2015 (Phase 4 Project) (the "Bonds"). Capitalized terms used, but not defined, herein shall have the meaning assigned thereto in the Purchase Contract.

2. Taylor Morrison Esplanade Naples, LLC is a limited liability company organized and existing under the laws of the State of Florida.

3. Representatives of Taylor Morrison Esplanade Naples, LLC have provided information to Flow Way Community Development District (the "District") to be used in connection with the offering by the District of its Bonds, pursuant to a Preliminary Limited Offering Memorandum dated November ____, 2015 (the Preliminary Limited Offering Memorandum), and a final Limited Offering Memorandum dated November ____, 2015 (the "Limited Offering Memorandum" and, together with the Preliminary Limited Offering Memorandum, the "Limited Offering Memoranda").

4. The Declaration of Consent to Jurisdiction of Flow Way Community Development District and to Imposition of Special Assessments dated December ____, 2015 executed by Taylor Morrison Esplanade Naples, LLC and to be recorded in the public records of Collier County, Florida (the "Declaration of Consent"), constitutes a valid and binding obligation of Taylor Morrison Esplanade Naples, LLC, enforceable against Taylor Morrison Esplanade Naples, LLC in accordance with its terms.

5. Taylor Morrison Esplanade Naples, LLC has reviewed and approved the information contained in the Limited Offering Memorandum under the captions "CAPITAL IMPROVEMENT PLAN AND THE PHASE 4 PROJECT," "THE DEVELOPMENT," "THE DEVELOPER," and "LITIGATION – The Developer" and with respect to Taylor Morrison Esplanade Naples, LLC and the Development (as defined in the Limited Offering Memoranda) under the caption "BONDOWNERS' RISKS" and "CONTINUING DISCLOSURE" and warrants and represents that such information did not as of its date, and does not as of the date hereof, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. In addition, Taylor Morrison Esplanade Naples, LLC is not aware of any other information in the Limited Offering Memoranda that contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

6. Taylor Morrison Esplanade Naples, LLC represents and warrants that it has complied with and will continue to comply with Chapter 190.048, Florida Statutes, as amended.

7. As of the date hereof, there has been no material adverse change in the business, properties, assets or financial condition of Taylor Morrison Esplanade Naples, LLC which has not been disclosed in the Limited Offering Memoranda and/or in all other information provided by Taylor Morrison Esplanade Naples, LLC to the Underwriter or the District.

8. Taylor Morrison Esplanade Naples, LLC hereby consents to the levy of the Series 2015 Special Assessments on the lands in the District owned by Taylor Morrison Esplanade Naples, LLC. The levy of the Series 2015 Special Assessments on the District lands will not conflict with or constitute a breach of or default under any agreement, mortgage, lien or other instrument to which Taylor Morrison Esplanade Naples, LLC is a party or to which its property or assets are subject.

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

10. Taylor Morrison Esplanade Naples, LLC acknowledges that the Bonds have the debt service requirements set forth in the Limited Offering Memoranda and that the Series 2015 Special Assessments will be levied by the District at times, and in amounts sufficient, to enable the District to pay debt service on the Bonds when due (the foregoing is referred to as the "Debt Service Acknowledgment").

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

12. Except as otherwise disclosed in the Limited Offering Memoranda, there is no action, suit or proceedings at law or in equity by or before any court or public board or body pending or, solely to the best of our knowledge, threatened against Taylor Morrison Esplanade Naples, LLC (or any basis therefor) (a) seeking to restrain or enjoin the execution or delivery of Financing Documents, Declaration of Consent and/or Ancillary Documents to which Taylor Morrison Esplanade Naples, LLC is a party, (b) contesting or affecting the validity or enforceability of the Financing Documents, Declaration of Consent and/or Ancillary Documents, or any and all such other agreements or documents as may be required to be executed, or the transactions contemplated thereunder, (c) contesting or affecting the establishment or existence of Taylor Morrison Esplanade Naples, LLC, or of Taylor Morrison Esplanade Naples, LLC's

business, assets, property or conditions, financial or otherwise, or contesting or affecting any of the powers of Taylor Morrison Esplanade Naples, LLC.

13. To the best of our knowledge after due inquiry, Taylor Morrison Esplanade Naples, LLC is in compliance in all material respects with all provisions of applicable law in all material matters relating to the Development as described in the Limited Offering Memoranda, including applying for all necessary permits. Except as otherwise described in the Limited Offering Memoranda, (a) the Development is zoned and properly designated for its intended use; (b) all government permits other than certain permits, which permits are expected to be received as needed, have been received; (c) Taylor Morrison Esplanade Naples, LLC is not aware of any default of any zoning condition, permit or development agreement which would adversely affect Taylor Morrison Esplanade Naples, LLC's ability to complete or cause the completion of development of the Development as described in the Limited Offering Memoranda and all appendices thereto; and (d) there is no reason to believe that any permits, consents and licenses required to complete the Development as described in the Limited Offering Memoranda will not be obtained as required.

14. Taylor Morrison Esplanade Naples, LLC acknowledges that it will have no rights under Chapter 170, Florida Statutes, as amended, to prepay, without interest, the Series 2015 Special Assessments imposed on lands in the District owned by Taylor Morrison Esplanade Naples, LLC within thirty (30) days following completion of the Phase 4 Project and acceptance thereof by the District.

15. Except as expressly disclosed in the Limited Offering Memoranda, Taylor Morrison Esplanade Naples, LLC has never failed to timely comply with disclosure obligations pursuant to SEC Rule 15c2-12. Taylor Morrison Esplanade Naples, LLC hereby represents, warrants and certifies that it has procedures in place with respect to complying with its disclosure obligations.

16. Taylor Morrison Esplanade Naples, LLC is not insolvent and Taylor Morrison Esplanade Naples, LLC is not in default of any obligations to pay special assessments, except as disclosed in the Preliminary Limited Offering Memorandum.

Dated: December ____, 2015.

**TAYLOR MORRISON ESPLANADE
NAPLES, LLC**, a Florida limited liability
company

By: Taylor Morrison of Florida, Inc., its manager
and majority member

By: _____
Name:
Title:

EXHIBIT G

CERTIFICATE OF DISTRICT ENGINEER

WALDROP ENGINEERING, P.A., a Florida professional association (the "Engineer"), DOES HEREBY CERTIFY, that:

1. This certificate is furnished pursuant to Section 8(c)(17) of the Bond Purchase Contract dated November __, 2015 (the "Purchase Contract"), by and between Flow Way Community Development District (the "District") and FMSbonds, Inc. with respect to the \$_____ Flow Way Community Development District Special Assessment Bonds, Series 2015 (Phase 4 Project) (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 November __, 2015 (the "Preliminary Limited Offering Memorandum") and the Limited Offering Memorandum dated November __, 2015 (the "Limited Offering Memorandum" and, together with the Preliminary Limited Offering Memorandum, the "Limited Offering Memoranda"), as applicable.

2. The Engineer has been retained by the District to act as consulting engineer.

3. The plans and specifications for the Phase 4 Project (as described in the Limited Offering Memorandum) improvements 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 Phase 4 Project and the CIP were obtained, or are reasonably expected to be obtained and in the ordinary course.

4. The Engineer prepared reports entitled "Flow Way Community Development District Master Engineer's Report" dated August 2013 and "Flow Way Community Development District Phase 4 Engineer's Report for the 2015 Project" dated October 2015 (collectively, the "Report"). The Report was prepared in accordance with generally accepted engineering principles. The Report is included as "APPENDIX C: ENGINEER'S REPORT" to the Limited Offering Memoranda and a description of the Report and certain other information relating to the Phase 4 Project are included in the Limited Offering Memoranda under the captions "CAPITAL IMPROVEMENT PLAN AND THE PHASE 4 PROJECT" and "THE DEVELOPMENT." The Report and said information are true and complete in all material respects, contain no untrue statement of a material fact, and do not omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

5. The Engineer hereby consents to the inclusion of the Report as "APPENDIX C: ENGINEER'S REPORT" to the Limited Offering Memoranda and to the references to the Engineer in the Limited Offering Memoranda.

6. The Phase 4 Project improvements that have been completed are constructed in sound workmanlike manner and in accordance with industry standards.

7. The price being paid by the District to the Developer for acquisition of the improvements included within the 2015 Project does not exceed the lesser of the cost of the 2015 Project or the fair market value of the assets acquired by the District.

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

Date: December __, 2015

WALDROP ENGINEERING, P.A.

By: _____
Print Name: _____
Title: _____

EXHIBIT H

CERTIFICATE OF DISTRICT MANAGER AND METHODOLOGY CONSULTANT

JPWARD AND ASSOCIATES, LLC, a Florida limited liability company ("JPWard"), DOES HEREBY CERTIFY:

1. This certificate is furnished pursuant to Section 8(c)(18) of the Bond Purchase Contract dated November __, 2015 (the "Purchase Contract"), by and between Flow Way Community Development District (the "District") and FMSbonds, Inc. with respect to the \$_____ Flow Way Community Development District Special Assessment Bonds, Series 2015 (Phase 4 Project) (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 November __, 2015, as supplemented by that certain Supplement to Preliminary Limited Offering Memorandum dated November __, 2015 (collectively, the "Preliminary Limited Offering Memorandum") and the Limited Offering Memorandum dated November __, 2015 (the "Limited Offering Memorandum" and, together with the Preliminary Limited Offering Memorandum, the "Limited Offering Memoranda") relating to the Bonds, as applicable.

2. JPWard has acted as district manager and methodology consultant to the Flow Way Community Development District (the "District") in connection with the sale and issuance by the District of its \$_____ aggregate principal amount of 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 Flow Way Community Development District Series 2015 – Phase 4 Capital Improvement Program" dated _____, 2015, including the special assessment tax roll included as part thereof (the "Assessment Report"), which Assessment Report has been included as an appendix to the Limited Offering Memoranda. We hereby consent to the use of such Assessment 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 Phase 4 Project, or any information provided by us, and the Assessment Report, as of their date and as of this date, contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to be stated therein in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

5. The information set forth in the Limited Offering Memoranda under the subcaptions "THE DISTRICT – The District Manager and Other Consultants," "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS," "FINANCIAL INFORMATION," "LITIGATION – The District", "DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS," "CONTINUING DISCLOSURE," "APPENDIX D: ASSESSMENT METHODOLOGY" and "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 Report and the considerations and assumptions used in compiling the Assessment Report are reasonable. The Assessment Report and the assessment methodology set forth therein were prepared in accordance with all applicable provisions of Florida law.

7. As District Manager for the District, we are not aware of any litigation pending or, to the best of our knowledge, threatened against the District restraining or enjoining the issuance, sale, execution or delivery of the 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 Series 2015 Special Assessments, as initially levied, and as may be reallocated from time to time as permitted by resolutions adopted by the District with respect to the Series 2015 Special Assessments, are sufficient to enable the District to pay the debt service on the Bonds through the final maturity thereof.

Dated: December __, 2015.

JPWARD AND ASSOCIATES, LLC, a
Florida limited liability company

By: _____

Name: _____

Title: _____

EXHIBIT C

FORM OF PRELIMINARY LIMITED OFFERING MEMORANDUM

PRELIMINARY LIMITED OFFERING MEMORANDUM DATED NOVEMBER 12, 2015

NEW ISSUE - BOOK-ENTRY ONLY

LIMITED OFFERING

NOT RATED

In the opinion of Bond Counsel, assuming compliance by the District with certain covenants, under existing statutes, regulations, and judicial decisions, the interest on the Series 2015 Bonds will be excluded from gross income for federal income tax purposes of the holders thereof and will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. However, interest on the Series 2015 Bonds shall be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations. See "TAX MATTERS" herein for a description of other tax consequences to holders of the Series 2015 Bonds.

\$ _____ *

**FLOW WAY COMMUNITY DEVELOPMENT DISTRICT
(COLLIER COUNTY, FLORIDA)
SPECIAL ASSESSMENT BONDS, SERIES 2015
(PHASE 4 PROJECT)**

Dated: Date of Original Issuance

Due: November 1, as shown below

The Flow Way Community Development Special Assessment Bonds, Series 2015 (Phase 4 Project) (the "Series 2015 Bonds") are being issued by the Flow Way Community Development District (the "District" or "Issuer") in fully registered form, without coupons, in authorized denominations of \$5,000 and any integral multiple thereof. The Series 2015 Bonds will bear interest at the fixed rates set forth in the inside cover hereof, calculated on the basis of a 360-day year comprised of twelve 30 day months, payable semi-annually on each May 1 and November 1, commencing May 1, 2016. The Series 2015 Bonds, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. Purchases of beneficial interests in the Series 2015 Bonds will be made in book-entry-only form and purchasers of beneficial interests in the Series 2015 Bonds will not receive physical bond certificates. For so long as the book-entry only system is maintained, the principal of and interest on the Series 2015 Bonds will be paid from the Pledged Revenues (as defined below) as provided in the Indenture (as defined below) and described herein by U.S. Bank National Association, as trustee (the "Trustee"), to Cede & Co., as nominee of DTC, as the registered owner thereof. Disbursement of such payments to the DTC Participants (as defined below) is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of the DTC Participants and Indirect Participants, as more fully described herein. Any purchaser, as a beneficial owner of a Series 2015 Bond, must maintain an account with a broker or dealer that is, or acts through, a DTC Participant in order to receive payment of the principal of and interest on such Series 2015 Bond. See "DESCRIPTION OF THE SERIES 2015 BONDS - Book-Entry System" herein.

Proceeds of the Series 2015 Bonds will be used to provide funds for (i) the payment of a portion of the costs of the Phase 4 Project (as described herein), (ii) the funding of the Series 2015 Debt Service Reserve Account, (iii) the payment of a portion of the interest to come due on the Series 2015 Bonds, and (iv) the payment of the costs of issuance of the Series 2015 Bonds. See "THE CAPITAL IMPROVEMENT PLAN AND THE PHASE 4 PROJECT" and "APPENDIX A: COPY OF MASTER TRUST INDENTURE AND PROPOSED FORM OF THIRD SUPPLEMENTAL TRUST INDENTURE" hereto.

The District is a local unit of special purpose government of the State of Florida (the "State"), created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), and by Ordinance No. 02-09 of the Board of County Commissioners of Collier County, Florida (the "County"), enacted on February 26, 2002, and effective on March 4, 2002 (the "Ordinance"). The Series 2015 Bonds are being issued by the District pursuant to the Act, Resolution No. 2013-16 and Resolution No. 2016-__ adopted by the Board of Supervisors of the District (the "Board") on June 11, 2013 and November 9, 2015, respectively, and a Master Trust Indenture, dated as of December 1, 2013 (the "Master Indenture"), as supplemented by a Third Supplemental Trust Indenture dated as of December 1, 2015 (the "Third Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), each by and between the District and the Trustee, as successor to Wells Fargo Bank, National Association under the Master Indenture. Capitalized terms not defined herein shall have the meanings assigned to them in the Indenture. The Series 2015 Bonds are payable from and secured solely by the Pledged Revenues. The Pledged Revenues shall mean with respect to the Series 2015 Bonds (a) all revenues received by the District from the Series 2015 Special Assessments (as defined herein) levied and collected on that portion of the District Lands benefitted by the Phase 4 Project, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Series 2015 Special Assessments or from the issuance and sale of tax certificates with respect to such Series 2015 Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Indenture; provided, however, that Pledged Revenues do not include (A) any moneys transferred to the Rebate Fund, or investment earnings thereon and (B) "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance special assessments" levied and collected by the District under Section 190.021(3) of the Act (it being expressly understood that the lien and pledge of the Indenture does not apply to any of the moneys described in the foregoing clauses (A) and (B) of this proviso). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2015 BONDS" herein.

The Series 2015 Bonds are subject to optional, mandatory sinking fund and extraordinary mandatory redemption at the times, in the amounts and at the redemption prices as more fully described herein. See "DESCRIPTION OF THE SERIES 2015 BONDS - Redemption Provisions" herein.

This Preliminary Offering Memorandum and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Limited Offering Memorandum constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Series 2015 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.

THE SERIES 2015 BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY OUT OF THE PLEDGED REVENUES PLEDGED THEREFOR UNDER THE INDENTURE AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE DISTRICT, THE COUNTY, THE STATE OR ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE SERIES 2015 BONDS, EXCEPT THAT THE DISTRICT IS OBLIGATED UNDER THE INDENTURE TO LEVY, AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, SERIES 2015 SPECIAL ASSESSMENTS TO SECURE AND PAY THE SERIES 2015 BONDS. THE SERIES 2015 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT, THE COUNTY, THE STATE, OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. SEE "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2015 BONDS" HEREIN.

The Series 2015 Bonds involve a degree of risk (see "BONDOWNERS' RISKS" herein) and are not suitable for all investors (see "SUITABILITY FOR INVESTMENT" herein). The Underwriter named below is limiting this offering to "Accredited Investors" within the meaning of Chapter 517, Florida Statutes, and the rules of the Florida Department of Financial Services promulgated thereunder. The limitation of the initial offering to Accredited Investors does not denote restrictions on transfer in any secondary market for the Series 2015 Bonds. The Series 2015 Bonds are not credit enhanced or rated and no application has been made for a rating or credit enhancement with respect to the Series 2015 Bonds.

This cover page contains information for quick reference only. It is not a summary of the Series 2015 Bonds. Investors must read the entire Limited Offering Memorandum to obtain information essential to the making of an informed investment decision.

MATURITY SCHEDULE

\$ _____ - ____% Series 2015 Term Bond due November 1, 20__, Yield _____%, Price _____ CUSIP # _____**
\$ _____ - ____% Series 2015 Term Bond due November 1, 20__, Yield _____%, Price _____ CUSIP # _____**

The initial sale of the Series 2015 Bonds is subject to certain conditions precedent, including, without limitation, receipt of the opinion of Bryant Miller Olive P.A., Orlando, Florida, Bond Counsel, as to the validity of the Series 2015 Bonds and the excludability of interest thereon from gross income for federal income tax purposes. Certain legal matters will be passed upon for the District by its counsel, Coleman, Yovanovich & Koester, P.A., Naples, Florida, for the Developer (as defined herein) by its counsel, J. Wayne Crosby, P.A., Winter Park, Florida, and for the Underwriter by its counsel, GrayRobinson, P.A., Tampa, Florida. It is expected that the Series 2015 Bonds will be delivered in book-entry form through the facilities of DTC on or about December __, 2015.

FMSbonds, Inc.

Dated: November __, 2015

* 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.

FLOW WAY COMMUNITY DEVELOPMENT DISTRICT

BOARD OF SUPERVISORS

John Asher,* Chairperson
Keith Berg,* Vice-Chairperson
Anthony Burdett,* Assistant Secretary
Stephen Reiter,* Assistant Secretary
Sal Simonetti,* Assistant Secretary

* Employee of the Developer or an affiliate of the Developer

DISTRICT MANAGER/METHODOLOGY CONSULTANT

JPWard and Associates, LLC
Wilton Manors, Florida

DISTRICT COUNSEL

Coleman, Yovanovich & Koester, P.A.
Tallahassee, Florida

BOND COUNSEL

Bryant Miller Olive P.A.
Orlando, Florida

DISTRICT ENGINEER

Waldrop Engineering, P.A.
Bonita Springs, Florida

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE DISTRICT TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS LIMITED OFFERING MEMORANDUM, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE DISTRICT. THIS LIMITED OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY OF THE SERIES 2015 BONDS AND THERE SHALL BE NO OFFER, SOLICITATION, OR SALE OF THE SERIES 2015 BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE INFORMATION SET FORTH HEREIN HAS BEEN OBTAINED FROM THE DEVELOPER (AS HEREINAFTER DEFINED), THE DISTRICT, PUBLIC DOCUMENTS, RECORDS AND OTHER SOURCES, WHICH SOURCES ARE BELIEVED TO BE RELIABLE BUT WHICH INFORMATION IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS BY, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION OF, THE UNDERWRITER NAMED ON THE COVER PAGE OF THIS LIMITED OFFERING MEMORANDUM. THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS LIMITED OFFERING MEMORANDUM IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN CONTAINED ARE SUBJECT TO CHANGE WITHOUT NOTICE AND NEITHER THE DELIVERY OF THIS LIMITED OFFERING MEMORANDUM, NOR ANY SALE MADE HEREUNDER, SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE DISTRICT OR THE DEVELOPER OR IN THE STATUS OF THE DEVELOPMENT OR THE PHASE 4 PROJECT (AS SUCH TERMS ARE HEREINAFTER DEFINED) SINCE THE DATE HEREOF.

THE SERIES 2015 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 SERIES 2015 BONDS IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF ANY JURISDICTIONS WHEREIN THESE SECURITIES HAVE BEEN OR WILL BE REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THE DISTRICT, THE COUNTY, THE STATE, NOR ANY OTHER POLITICAL SUBDIVISIONS THEREOF HAVE GUARANTEED OR PASSED UPON THE MERITS OF THE SERIES 2015 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 AND THE DEVELOPER'S CONTROL. BECAUSE THE DISTRICT AND THE DEVELOPER CANNOT PREDICT ALL FACTORS THAT MAY AFFECT FUTURE DECISIONS, ACTIONS, EVENTS, OR FINANCIAL CIRCUMSTANCES, WHAT ACTUALLY HAPPENS MAY BE DIFFERENT FROM WHAT IS INCLUDED IN FORWARD-LOOKING STATEMENTS.

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

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

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LIMITED OFFERING MEMORANDUM

\$ _____ *

**FLOW WAY COMMUNITY DEVELOPMENT DISTRICT
(COLLIER COUNTY, FLORIDA)
SPECIAL ASSESSMENT BONDS, SERIES 2015
(PHASE 4 PROJECT)**

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 Flow Way Community Development District (the "District") of its \$ _____ * Special Assessment Bonds, Series 2015 (Phase 4 Project) (the "Series 2015 Bonds").

THE SERIES 2015 BONDS ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS. PURSUANT TO APPLICABLE STATE LAW, THE UNDERWRITER IS LIMITING THIS INITIAL OFFERING OF THE SERIES 2015 BONDS TO ONLY ACCREDITED INVESTORS WITHIN THE MEANING OF THE RULES OF THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES. THE LIMITATION OF THE INITIAL OFFERING TO ACCREDITED INVESTORS DOES NOT DENOTE RESTRICTIONS ON TRANSFER IN ANY SECONDARY MARKET FOR THE SERIES 2015 BONDS. POTENTIAL INVESTORS ARE SOLELY RESPONSIBLE FOR EVALUATING THE MERITS AND RISKS OF AN INVESTMENT IN THE SERIES 2015 BONDS. SEE "BONDOWNERS' RISKS" AND "SUITABILITY FOR INVESTMENT" HEREIN.

The District was created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), and by Ordinance No. 02-09 of the Board of County Commissioners of Collier County, Florida (the "County"), enacted on February 26, 2002, and effective on March 4, 2002 (the "Ordinance"). 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 the District has previously decided 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 830 gross acres of land (the "District Lands") located entirely within the unincorporated area of the County and encompasses the community known as Esplanade Golf and Country Club of Naples (the "Development") and is situated northeast of the intersection of Immokalee Road and County Road 951, about three miles east of Interstate 75. The Development was originally planned to consist of approximately 1,121 single family and multi-family dwelling units, an 18-hole golf course, a clubhouse and a network of trails and parks. Taylor Morrison Esplanade Naples, LLC, a Florida limited liability company (the "Developer"), owns the majority of the

* Preliminary, subject to change.

land in the District [and has entered into a contract to acquire an additional 19.65 gross acres of land that are planned for an additional 112 single family or multi-family units]. The entire developable portion of the Development is located within the District; however, the Development also includes 969 gross acres of conservation areas that are located outside of the District [and the additional 19.65 gross acres that may be added to the Development are not currently within the District boundaries but may be at some time in the future]. See "THE DEVELOPMENT" herein for more information on the Development.

The Series 2015 Bonds are being issued by the District pursuant to the Act, Resolution No. 2013-16 and Resolution No. 2016-__ adopted by the Board of Supervisors of the District (the "Board") on June 11, 2013 and November 9, 2015, respectively, and a Master Trust Indenture, dated as of December 1, 2013 (the "Master Indenture"), as supplemented by a Third Supplemental Trust Indenture dated as of December 1, 2015 (the "Third Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), each by and between the District and the Trustee. Capitalized terms not defined herein shall have the meanings assigned to them in the Indenture.

Proceeds of the Series 2015 Bonds will be used to provide funds for (i) the payment of a portion of the costs of the Phase 4 Project (as described herein), (ii) the funding of the Series 2015 Debt Service Reserve Account, (iii) the payment of a portion of the interest to come due on the Series 2015 Bonds, and (iv) the payment of the costs of issuance of the Series 2015 Bonds. See "THE CAPITAL IMPROVEMENT PLAN AND THE PHASE 4 PROJECT" and "APPENDIX A: COPY OF MASTER TRUST INDENTURE AND PROPOSED FORM OF THIRD SUPPLEMENTAL TRUST INDENTURE" hereto.

The Series 2015 Bonds are payable from and secured solely by the Pledged Revenues. The Pledged Revenues shall mean with respect to the Series 2015 Bonds (a) all revenues received by the District from the Series 2015 Special Assessments (as defined herein) levied and collected on that portion of the District Lands benefitted by the Phase 4 Project, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Series 2015 Special Assessments or from the issuance and sale of tax certificates with respect to such Series 2015 Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Indenture; provided, however, that Pledged Revenues do not include (A) any moneys transferred to the Rebate Fund, or investment earnings thereon and (B) "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance special assessments" levied and collected by the District under Section 190.021(3) of the Act (it being expressly understood that the lien and pledge of the Indenture does not apply to any of the moneys described in the foregoing clauses (A) and (B) of this proviso). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2015 BONDS" herein.

The Series 2015 Special Assessments that will secure the Series 2015 Bonds will be levied only on Phase 4 of the Development, consisting of approximately [26.64] gross acres (the "Series 2015 Assessment Area"), which phase is planned for approximately 107 single family units and 56 multi-family units, [of which 71 of the 107 single family units and all of the multi-family units have been platted as of the date hereof]. See "ASSESSMENT AREA AND THE ALLOCATION OF ASSESSMENTS" and "THE DEVELOPMENT" herein for more information on the Series 2015 Assessment Area securing the Series 2015 Bonds.

There follows in this Limited Offering Memorandum a brief description of the District, the Developer, the Development, the District's Capital Improvement Plan and the Phase 4 Project, the Series 2015 Assessment Area and summaries of the terms of the Series 2015 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 documents and statute, and all references to the Series 2015 Bonds are qualified by

reference to the definitive form thereof and the information with respect thereto contained in the Indenture. A copy of the Master Trust Indenture and the proposed form of the Third Supplemental Indenture appear in Appendix A hereto.

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

DESCRIPTION OF THE SERIES 2015 BONDS

General Description

The Series 2015 Bonds are issuable only as fully registered bonds, without coupons, in denominations of \$5,000 and any integral multiple thereof. The Series 2015 Bonds will mature, subject to the redemption provisions set forth below, on the dates and in the amounts set forth on the cover page hereof. The Series 2015 Bonds will be dated the date of original issuance. Interest on the Series 2015 Bonds will be payable on each Interest Payment Date (as defined herein) to maturity or prior redemption. Interest on the Series 2015 Bonds will be payable from the most recent Interest Payment Date next preceding the date of authentication thereof to which interest has been paid, unless the date of authentication thereof is a May 1 or November 1 to which interest has been paid, in which case from such date of authentication, or unless the date of authentication thereof is prior to May 1, 2016, in which case from the date of original issuance of the Series 2015 Bonds, or unless the date of authentication thereof is between a Record Date and the next succeeding Interest Payment Date, in which case from such Interest Payment Date. "Interest Payment Date" shall mean May 1 and November 1 of each year, commencing May 1, 2016. Interest shall be computed on the basis of a 360-day year comprised of twelve 30-day months.

Upon initial issuance, the ownership of the Series 2015 Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), and purchases of beneficial interests in the Series 2015 Bonds will be made in book-entry only form. See "DESCRIPTION OF THE SERIES 2015 BONDS – Book-Entry Only System" herein.

The Underwriter is limiting this offering to "Accredited Investors" within the meaning of Chapter 517, Florida Statutes, and the rules of the Florida Department of Financial Services promulgated thereunder. The limitation of the initial offering to Accredited Investors does not denote restrictions on transfer in any secondary market for the Series 2015 Bonds. See "SUITABILITY FOR INVESTMENT" herein.

U.S. Bank National Association, is initially serving as the Trustee, Registrar and Paying Agent for the Series 2015 Bonds.

Redemption Provisions

Optional Redemption

The Series 2015 Bonds may, at the option of the District, be called for redemption prior to maturity in whole or in part at any time on or after November 1, 20__ (less than all Series 2015 Bonds to be selected by lot), at a Redemption Price equal to 100% of the principal amount of Series 2015 Bonds to be redeemed plus accrued interest from the most recent Interest Payment Date to the redemption date.

Mandatory Sinking Fund Redemption

The Series 2015 Bonds maturing on November 1, 20__ are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2015 Sinking Fund Account established under the Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on November 1 of the years and in the principal amounts set forth below:

<u>Year</u> <u>(November 1)</u>	<u>Amortization</u> <u>Installment</u>	<u>Year</u> <u>(November 1)</u>	<u>Amortization</u> <u>Installment</u>
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* Maturity.

The Series 2015 Bonds maturing on November 1, 20__ are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2015 Sinking Fund Account established under the Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on November 1 of the years and in the principal amounts set forth below:

<u>Year</u> <u>(November 1)</u>	<u>Amortization</u> <u>Installment</u>	<u>Year</u> <u>(November 1)</u>	<u>Amortization</u> <u>Installment</u>
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* Maturity.

Upon any purchase or redemption of Series 2015 Bonds other than in accordance with scheduled Sinking Fund Installments, the District shall cause to be recalculated and delivered to the Trustee revised Sinking Fund Installments recalculated so as to amortize the Outstanding principal amount of Series 2015 Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Series 2015 Bonds. The Sinking Fund Installments as so recalculated shall not result in an increase in the aggregate of the Sinking Fund Installments for all Series 2015 Bonds in any year. In the event of a redemption or purchase occurring less than 45 days prior to a date on which a Sinking Fund Installment is due, the foregoing recalculation shall not be made to Sinking Fund Installments due in the year in which such redemption or purchase occurs, but shall be made to Sinking Fund Installments for the immediately succeeding and subsequent years.

Extraordinary Mandatory Redemption

The Series 2015 Bonds are subject to extraordinary mandatory redemption prior to maturity by the District in whole, on any date, or in part, on any February 1, May 1, August 1 and November 1 (each a "Quarterly Redemption Date"), at an extraordinary mandatory redemption price equal to 100% of the principal amount of the Series 2015 Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

(i) The Series 2015 Bonds are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole, on any date, or in part, on any Quarterly Redemption Date, at an extraordinary mandatory redemption price equal to 100% of the principal amount of the Series 2015 Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

(i) from Series 2015 Prepayment Principal deposited into the Series 2015 Prepayment Account of the Series 2015 Bond Redemption Fund following the payment in whole or in part of Series 2015 Special Assessments on any portion of the District Lands in accordance with the provisions of Section 4.05(a) of the Third Supplemental Indenture, including with excess moneys transferred from the Series 2015 Debt Service Reserve Account to the Series 2015 Prepayment Account of the Series 2015 Bond Redemption Fund resulting from such Series 2015 Special Assessment prepayments pursuant to Section 4.01(f)(ii) of the Third Supplemental Indenture.

(ii) from amounts on deposit in the Series 2015 Debt Service Reserve Account in excess of the Debt Service Reserve Requirement for the Series 2015 Bonds and transferred to the Series 2015 Prepayment Account of the Series 2015 Bond Redemption Fund in accordance with Section 6.05 of the Master Indenture and Section 4.01(f) of the Third Supplemental Indenture to be used for the extraordinary mandatory redemption of the Series 2015 Bonds.

(iii) on or after the Completion Date of the Phase 4 Project, by application of moneys remaining in the Series 2015 Acquisition and Construction Account of the Acquisition and Construction Fund not reserved by the Issuer for the payment of any remaining part of the Cost of the Phase 4 Project, all of which shall be transferred as specified in Section 4.01(a) of the Third Supplemental Indenture to the Series 2015 General Account of the Series 2015 Bond Redemption Fund, credited toward extinguishment of the Series 2015 Special Assessments and applied toward the redemption of the Series 2015 Bonds in accordance with the manner it has credited such excess moneys toward extinguishment of Series 2015 Special Assessments which the Issuer shall describe to the Trustee in writing.

(iv) following condemnation or the sale of any portion of the Phase 4 Project to a governmental entity under threat of condemnation by such governmental entity and the payment of moneys which are not to be used to rebuild, replace or restore the taken portion of the Phase 4 Project to

the Trustee by or on behalf of the Issuer for deposit into the Series 2015 General Account of the Series 2015 Bond Redemption Fund in order to effectuate such redemption and, which moneys shall be applied by the Issuer to redeem Series 2015 Bonds in accordance with the manner it has credited such moneys toward extinguishment of Series 2015 Special Assessments which the Issuer shall describe to the Trustee in writing.

(v) following the damage or destruction of all or substantially all of the Phase 4 Project to such extent that, in the reasonable opinion of the Issuer, the repair and restoration thereof would not be economical or would be impracticable, to the extent of amounts paid by the Issuer to the Trustee for deposit to the Series 2015 General Account of the Series 2015 Bond Redemption Fund which moneys shall be applied by the Issuer to redeem Series 2015 Bonds in accordance with the manner it has credited such moneys toward extinguishment of Series 2015 Special Assessments; provided, however, that at least forty-five (45) days prior to such extraordinary mandatory redemption, the Issuer shall cause to be delivered to the Trustee (x) notice setting forth the redemption date and (y) a certificate of the Consulting Engineer confirming that the repair and restoration of the Phase 4 Project would not be economical or would be impracticable.

(vi) from moneys, if any, on deposit in the Series 2015 Funds and Accounts (other than the Rebate Fund) sufficient to pay and redeem all Outstanding Series 2015 Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the Master Indenture.

Notice of Redemption

When required to redeem or purchase Series 2015 Bonds under any provision of the Indenture or directed to do so by the District, the Trustee shall cause notice of the redemption, either in whole or in part, to be mailed at least thirty (30) but not more than sixty (60) days prior to the redemption or purchase date to all Owners of Series 2015 Bonds to be redeemed or purchased (as such Owners appear on the Bond Register on the fifth (5th) day prior to such mailing), at their registered addresses, but failure to mail any such notice or defect in the notice or in the mailing thereof shall not affect the validity of the redemption or purchase of the Series 2015 Bonds for which notice was duly mailed in accordance with the Indenture.

If at the time of mailing of notice of an optional redemption or purchase, the District shall not have deposited with the Trustee or Paying Agent moneys sufficient to redeem or purchase all the Series 2015 Bonds called for redemption or purchase, such notice shall state that it is subject to the deposit of the redemption or purchase moneys with the Trustee or Paying Agent, as the case may be, not later than the opening of business on the redemption or purchase date, and such notice shall be of no effect unless such moneys are so deposited.

If less than all of the Series 2015 Bonds are to be redeemed, the Trustee shall select the particular Series 2015 Bonds or portions of Series 2015 Bonds to be called for redemption by lot in such reasonable manner as the Trustee in its discretion shall determine.

Purchase of Series 2015 Bonds

At the written direction of the District, the Trustee shall apply moneys from time to time available in the Series 2015 Sinking Fund Account to the purchase of Series 2015 Bonds at prices not higher than the principal amount thereof, in lieu of redemption, provided that firm purchase commitments can be made before the notice of redemption would otherwise be required to be given.

Book-Entry System

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2015 Bonds. The Series 2015 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2015 Bond certificate will be issued for each maturity of the Series 2015 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

Purchases of Series 2015 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2015 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2015 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2015 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2015 Bonds, except in the event that use of the book-entry system for the Series 2015 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2015 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2015 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2015 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2015 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2015 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2015 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2015 Bond documents. For example, Beneficial Owners of Series 2015 Bonds may wish to ascertain that the nominee holding the Series 2015 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2015 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2015 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2015 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and interest payments on the Series 2015 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District and/or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2015 Bonds at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2015 Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2015 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system information has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2015 BONDS

General

THE SERIES 2015 BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY OUT OF THE PLEDGED REVENUES PLEDGED THEREFOR UNDER THE INDENTURE AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE DISTRICT, THE COUNTY, THE STATE OR ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE SERIES 2015 BONDS, EXCEPT THAT THE DISTRICT IS OBLIGATED UNDER THE INDENTURE TO LEVY, AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, SERIES 2015 SPECIAL ASSESSMENTS TO SECURE AND PAY THE SERIES 2015 BONDS. THE SERIES 2015 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT, THE COUNTY, THE STATE, OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

The Series 2015 Bonds are payable from and secured solely by the Pledged Revenues. The Pledged Revenues shall mean with respect to the Series 2015 Bonds (a) all revenues received by the District from the Series 2015 Special Assessments (as defined herein) levied and collected on that portion of the District Lands benefitted by the Phase 4 Project, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Series 2015 Special Assessments or from the issuance and sale of tax certificates with respect to such Series 2015 Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Indenture; provided, however, that Pledged Revenues do not include (A) any moneys transferred to the Rebate Fund, or investment earnings thereon and (B) "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance special assessments" levied and collected by the District under Section 190.021(3) of the Act (it being expressly understood that the lien and pledge of the Indenture does not apply to any of the moneys described in the foregoing clauses (A) and (B) of this proviso).

The Series 2015 Special Assessments consist of the non-ad valorem special assessments imposed and levied by the District against that portion of the land within the District specially benefitted by the Phase 4 Project or any portion thereof, pursuant to Section 190.022 of the Act, and the Assessment Resolutions (as defined in the Indenture) and the proceedings conducted by the District in connection therewith. 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 respective Series 2015 Special Assessments will constitute a lien against the land as to which the respective Series 2015 Special Assessments are imposed. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" herein.

The Series 2015 Special Assessments are levied, in an amount corresponding to the debt service on the Series 2015 Bonds, on the basis of benefit received by such property as a result of the Phase 4 Project. The Assessment Methodology (as hereinafter defined), which describes the methodology for allocating the Series 2015 Special Assessments to a portion of the lands within the District, is included as Appendix D hereto.

Additional Obligations

In the Indenture, the District covenants that so long as there are any Series 2015 Bonds Outstanding and the Series 2015 Special Assessments have not been Substantially Absorbed, the District shall not issue Bonds or other debt obligations, other than refunding bonds, secured by Special

Assessments for capital projects on the District Lands subject to the Series 2015 Special Assessments. "Substantially Absorbed" shall mean the date on which a principal amount of the Series 2015 Special Assessments equaling at least ninety-five percent (95%) of the then Outstanding principal amount of the Series 2015 Bonds are levied on the District Lands with respect to which a certificate of occupancy has been issued for a structure thereon. Satisfaction of the foregoing definition shall be evidenced by the delivery by the District to the Trustee of a written certificate of the Methodology Consultant to such effect and upon which the Trustee may conclusively rely.

Subject to the limitations on the District set forth above, the District and/or other public entities may impose taxes or other special assessments on the same properties encumbered by the Series 2015 Special Assessments without the consent of the Owners of the Series 2015 Bonds. The District anticipates issuing additional bonds (the "Additional Bonds") to fund other portions of its CIP, which Additional Bonds will be secured by special assessments on District lands separate and distinct from the District Lands upon which the Series 2015 Special Assessments are imposed. See "THE CAPITAL IMPROVEMENT PLAN AND THE PHASE 4 PROJECT" and "THE DEVELOPMENT – Developer Finance Plan and the Status of the Series 2015 Assessment Area" herein. Additionally, the District expects to impose certain non-ad valorem special assessments called maintenance assessments, which are of equal dignity with the Series 2015 Special Assessments, on the same lands upon which the Series 2015 Special Assessments are imposed, to fund the maintenance and operation of the District. See "BONDOWNERS' RISKS" herein.

Covenant Against Sale or Encumbrance

In the Master Indenture, the District has covenanted that (a) except for those improvements comprising a Project (as defined in the Master Indenture) that are to be conveyed by the District to the County, the State or another governmental entity and (b) except as otherwise permitted in the Master Indenture, it will not sell, lease or otherwise dispose of or encumber a Project or any part thereof. The District may, however, from time to time, sell any machinery, fixtures, apparatus, tools, instruments or other movable property acquired by it from the proceeds of the Series 2015 Bonds or from Pledged Revenues if the District Manager shall determine, with the approval of the Consulting Engineer, that such items are no longer needed or are no longer useful in connection with the construction, maintenance and operation of the Project, and the proceeds thereof shall be applied to the replacement of the properties so sold or disposed of or, at the written direction of the District shall be deposited to the credit of the Series 2015 Revenue Account. See "APPENDIX A: COPY OF MASTER TRUST INDENTURE AND PROPOSED FORM OF THIRD SUPPLEMENTAL TRUST INDENTURE" herein.

Series 2015 Debt Service Reserve Account

The Indenture creates a Series 2015 Debt Service Reserve Account within the Debt Service Reserve Fund solely for the benefit of the Series 2015 Bonds. The Series 2015 Debt Service Reserve Account will be funded in the amount of the Debt Service Reserve Requirement for the Series 2015 Bonds. Pursuant to the Indenture, the "Debt Service Reserve Requirement" shall mean, with respect to the Series 2015 Bonds, an amount, as calculated from time to time, equal to the least of (a) the maximum annual Debt Service Requirement for the Series 2015 Bonds, (b) 125% of the average annual Debt Service Requirement for Outstanding Series 2015 Bonds, and (c) 10% of the original stated principal amount (within the meaning of the Code) of the Series 2015 Bonds, which is initially \$_____, which is the maximum annual Debt Service Requirement for the Outstanding Series 2015 Bonds on the date hereof.

On the date that is 45 days prior to each Quarterly Redemption Date (or, if such date is not a Business Day, on the Business Day next preceding such day), the Trustee will determine the amount on

deposit in the Series 2015 Debt Service Reserve Account and transfer any excess therein (except for excess resulting from interest earnings) above the Debt Service Reserve Requirement for the Series 2015 Bonds as follows: (A) prior to the Completion Date of the Phase 4 Project, to the Series 2015 Acquisition and Construction Account of the Acquisition and Construction Fund, and (B) on and after the Completion Date of the Phase 4 Project, such amounts shall be retained in the Series 2015 Debt Service Reserve Account until otherwise applied as set forth in the Indenture, including redemption from excess amounts in the Series 2015 Debt Service Reserve Account in accordance with the Indenture.

Notwithstanding the foregoing paragraph, so long as no Event of Default has occurred and has not been cured, upon an optional prepayment by the owner of a lot or parcel of land of a Series 2015 Special Assessment against such lot or parcel as provided in the Third Supplemental Indenture, the District shall determine the Debt Service Reserve Requirement for the Series 2015 Bonds taking into account such optional prepayment and shall direct the Trustee to transfer any amount on deposit in the Series 2015 Debt Service Reserve Account in excess thereof (except for excess resulting from interest earnings) from the Series 2015 Debt Service Reserve Account to the Series 2015 Prepayment Account of the Series 2015 Bond Redemption Fund, as a credit against the Series 2015 Prepayment Principal otherwise required to be made by the owner of such lot or parcel.

Notwithstanding the foregoing, in lieu of the required deposits into the Series 2015 Debt Service Reserve Account, the District may cause to be deposited into the Series 2015 Debt Service Reserve Account a Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit either in lieu of any cash amount required to be deposited therein in connection with the issuance of the Series 2015 Bonds or in substitution for the full amounts then on deposit therein or in an amount equal to the difference between the amount required to be deposited and the sum, if any, then on deposit in the Series 2015 Debt Service Reserve Account, which Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit shall be payable (upon the giving of notice as required thereunder) on any Interest Payment Date or principal payment date on which a deficiency exists which cannot be remedied by moneys in any other Fund or Account held pursuant to the Indenture and available for such purpose.

Application of the Pledged Revenues

Pursuant to the Indenture, the Trustee shall transfer from amounts on deposit in the Series 2015 Revenue Account to the Funds and Accounts described below, the following amounts, at the following times and in the following order of priority:

FIRST, not later than the Business Day preceding each February 1, May 1, August 1 and November 1, to the Series 2015 Interest Subaccount of the Debt Service Fund, an amount from the Series 2015 Revenue Account equal to the interest on the Series 2015 Bonds due on such February 1, May 1, August 1 or November 1, less any amounts on deposit in the Series 2015 Interest Subaccount not previously credited;

SECOND, no later than the Business Day next preceding each November 1, to the Series 2015 Principal Account of the Debt Service Fund, an amount from the Series 2015 Revenue Account equal to the principal amount of Series 2015 Bonds Outstanding maturing on such November 1, if any, less any amounts on deposit in the Series 2015 Principal Account not previously credited;

THIRD, no later than the Business Day next preceding each November 1, to the Series 2015 Sinking Fund Account of the Debt Service Fund, an amount from the Series 2015 Revenue Account equal to the principal amount of Series 2015 Bonds subject to sinking fund redemption

on such November 1, less any amount on deposit in the Series 2015 Sinking Fund Account not previously credited;

FOURTH, upon receipt but no later than the Business Day next succeeding each Interest Payment Date, to the Series 2015 Debt Service Reserve Account, an amount from the Series 2015 Revenue Account equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Debt Service Reserve Requirement for the Series 2015 Bonds; and

FIFTH, subject to the following paragraph, the balance of any moneys remaining after making the foregoing deposits shall remain in the Series 2015 Revenue Account, unless pursuant to the Arbitrage Certificate it is necessary to make a deposit into the Rebate Fund, in which case the Issuer shall direct the Trustee to make such deposit thereto.

Moneys held for the credit of the Series 2015 Revenue Account which are not otherwise required to be deposited pursuant to the above shall be retained therein and applied on subsequent dates for the purposes and in the priority set forth above.

Investments or Deposit of Funds

The Trustee shall, as directed by the District in writing, invest moneys held in the Series Accounts in the Debt Service Fund and any Series Account within the Bond Redemption Fund only in Government Obligations and certain types of securities listed in the Indenture within the definition of Investment Securities. The Trustee shall, as directed by the District in writing, invest moneys held in the Series 2015 Debt Service Reserve Account in Investment Securities. All deposits in time accounts shall be subject to withdrawal without penalty and all investments shall mature or be subject to redemption by the holder without penalty, not later than the date when the amounts will foreseeably be needed for purposes set forth in the Indenture. All securities securing investments under the Indenture shall be deposited with a Federal Reserve Bank, with the trust department of the Trustee, as authorized by law with respect to trust funds in the State, or with a bank or trust company having a combined net capital and surplus of not less than \$50,000,000. The interest and income received upon such investments and any interest paid by the Trustee or any other depository of any Fund or Account and any profit or loss resulting from the sale of securities shall be added or charged to the Fund or Account for which such investments are made; provided, however, that if the amount in any Fund or Account equals or exceeds the amount required to be on deposit therein, subject to the Indenture, any interest and other income so received shall be deposited in the Series 2015 Revenue Account of the Revenue Fund (provided any investment earnings on the Series 2015 Debt Service Reserve Account shall be applied, prior to the Completion Date of the Phase 4 Project, to the Series 2015 Acquisition and Construction Account). Upon written request of the District, or on its own initiative whenever payment is to be made out of any Fund or Account, the Trustee shall sell such securities as may be requested to make the payment and restore the proceeds to the Fund or Account in which the securities were held. The Trustee shall not be accountable for any depreciation in the value of any such security or for any loss resulting from the sale thereof, except as provided in the Indenture. If net proceeds from the sale of securities held in any Fund or Account shall be less than the amount invested and, as a result, the amount on deposit in such Fund or Account is less than the amount required to be on deposit in such Fund or Account, the amount of such deficit shall be transferred to such Fund or Account from the related Series Account of the Revenue Fund.

Absent specific instructions as aforesaid, all moneys in the Funds and Accounts established under the Indenture shall be invested in investments of the nature described in subparagraph (6) of the definition of Investment Securities in the Indenture. The Trustee shall not be liable or responsible for any loss or entitled to any gain resulting from any investment or sale upon the investment instructions of the District or otherwise, including that set forth in the first sentence of this paragraph. The Trustee may make any

investments permitted by the Indenture through its own bond department or brokerage division. See "APPENDIX A: COPY OF MASTER TRUST INDENTURE AND PROPOSED FORM OF THIRD SUPPLEMENTAL TRUST INDENTURE" herein.

Covenant to Levy the Series 2015 Special Assessments

The District will covenant to comply with the terms of the proceedings heretofore adopted with respect to the Series 2015 Special Assessments, including the Assessment Resolution and the Assessment Methodology, and to levy the Series 2015 Special 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 Series 2015 Bonds, when due. The Assessment Methodology shall not be amended without written consent of the Majority Owners. If any Series 2015 Special Assessment shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or the District shall be satisfied that any such Series 2015 Special Assessment is so irregular or defective that the same cannot be enforced or collected, or if the District shall have omitted to make such Series 2015 Special Assessment when it might have done so, the District has additionally covenanted to either (i) take all necessary steps to cause a new Series 2015 Special 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 Series 2015 Special Assessment from legally available moneys, which moneys shall be deposited into the Series 2015 Revenue Account. In case any such second assessment shall be annulled, the District shall obtain and make other Series 2015 Special Assessments until a valid Series 2015 Special Assessment shall be made.

Prepayment of Series 2015 Special Assessments

Pursuant to the assessment proceedings, an owner of property subject to the Series 2015 Special Assessments may pay all or a portion of the principal balance of such Series 2015 Special Assessments remaining due, if there is also paid an amount equal to the interest that would otherwise be due on the next succeeding Interest Payment Date for the Series 2015 Bonds, subject to certain time periods set forth in the assessment proceedings.

Pursuant to the Act and the assessment proceedings, an owner of property subject to the levy of Series 2015 Special Assessments may pay the entire balance of the Series 2015 Special Assessments remaining due, without interest, within thirty (30) days after the Phase 4 Project has been completed or acquired by the District, and the Board has adopted a resolution accepting the Phase 4 Project pursuant to Chapter 170.09, Florida Statutes. The Developer, as the owner of all of the property within the Series 2015 Assessment Area, will covenant to waive this right on behalf of itself and its respective successors and assigns in connection with the issuance of the Series 2015 Bonds.

The Series 2015 Bonds are subject to extraordinary redemption as indicated under "DESCRIPTION OF THE SERIES 2015 BONDS - Redemption Provisions - Extraordinary Mandatory Redemption" from optional prepayments of Series 2015 Special Assessments by property owners. The prepayment of Series 2015 Assessments does not entitle the owner of the property to a discount for early payment. [At the respective closings on the currently unsold lots in the Series 2015 Assessment Area with residential end users, the Developer expects to prepay a portion of the Series 2015 Special Assessments levied on such lots.] See "THE DEVELOPMENT – Taxes, Fees and Assessments" herein.

Collateral Assignment and Assumption of Development and Contract Rights

As a condition precedent to the issuance of the Series 2015 Bonds, and as an inducement for the Bondholders to purchase the Series 2015 Bonds, the Developer will execute and deliver to the District a

Collateral Assignment and Assumption of Development and Contract Rights Relating to the Phase 4 Project (the "Collateral Assignment"), pursuant to which the Developer will collaterally assign to the District, to the extent assignable, to the extent accepted by the District in its sole discretion and to the extent that they are solely owned or controlled by the Developer or subsequently acquired by the Developer, all of its development rights relating to the development of the District Lands in the Series 2015 Assessment Area (as herein defined), and Developer's rights as declarant of all property and homeowner associations with respect to, and to the extent of the unit parcels within the District lands not conveyed to third parties as of the date of the Collateral Assignment (collectively, the "Development Rights").

The Development Rights shall include the items listed in subsections (a) through (f) below as they pertain to development of the District Lands in the Series 2015 Assessment Area, (but shall specifically exclude any such Development Rights (i) that have been assigned, transferred or otherwise conveyed to the County, the District, any other homebuilder, any utility provider, governmental or quasi-governmental entity, any applicable homeowner's association or other governing entity or association, as may be required by applicable permits, approvals, plats, entitlements or regulations affecting District Lands (a "Prior Transfer"), or to the extent that a Prior Transfer has not already occurred with respect to the Development Rights, but only to the extent that such particular Development Rights are subject to the Prior Transfer, and (ii) to the extent that a Unit Parcel is conveyed to a homebuilder not affiliated with the Assignor or end-user resident, in which event such Unit Parcel shall be released automatically from the Collateral Assignment): (a) engineering and construction plans and specifications for grading, roadways, site drainage, storm water drainage, signage, water distribution, waste water collection, and other land development improvements; (b) preliminary and final site plans and plats; (c) permits, approvals, resolutions, variances, licenses, and franchises granted by governmental authorities, or any of their respective agencies, for or affecting the development within the District Lands within the Series 2015 Assessment Area and construction of improvements thereon, except not including any of the foregoing related to residential structures, or the amenity structures within the District Lands in the Series 2015 Assessment Area constructed by or to be constructed by Landowner, and off-site to the extent improvements are necessary or required to complete the Phase 4 Project; (d) contracts with engineers, architects, land planners, landscape architects, consultants, contractors, and suppliers for or relating to the construction of the development within the District Lands in the Series 2015 Assessment Area or the construction of improvements thereon, except not including any of the foregoing related to residential structures, or the amenity structures within the Land constructed by or to be constructed by Landowner; (e) all impact fees and impact fee credits, and (f) all future creations, changes, extensions, revisions, modifications, substitutions, and replacements of any of the foregoing.

Notwithstanding the above provisions to the contrary, in the event the District forecloses on the lands subject to the Series 2015 Special Assessments as a result of the Developer's or other landowner's failure to pay such assessments, there is a risk that such Development Rights will not be assumable by the District or that the District will not have all permits, approvals and entitlements necessary to complete the Phase 4 Project.

Indenture Provisions Relating to Bankruptcy or Insolvency of Developer

The Indenture contains the following provisions, which pursuant to the Indenture, shall be applicable both before and after the commencement, whether voluntary or involuntary, of any case, proceeding or other action by or against any owner of any tax parcel subject to the Series 2015 Special Assessments (an "Insolvent Taxpayer") under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, assignment for the benefit of creditors, or relief of debtors (a "Proceeding") except where such tax parcel shall be homestead property. For as long as any Series 2015 Bonds remain outstanding, in any Proceeding involving the District, any Insolvent Taxpayer, the Series

2015 Bonds or the Series 2015 Special Assessments, the District shall be obligated to act in accordance with direction from the Trustee with regard to all matters directly or indirectly affecting the Series 2015 Bonds or for as long as any Series 2015 Bonds remain Outstanding.

The District has acknowledged and agreed in the Indenture that, although the Series 2015 Bonds were issued by the District, the Owners of the Series 2015 Bonds are categorically a party with a financial stake in the transaction and, consequently, the party with a vested interest in a Proceeding. In the event of any Proceeding involving any Insolvent Taxpayer: (a) the District has agreed that it shall not make any election, give any consent, commence any action or file any motion, claim, obligation, notice or application or take any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the Series 2015 Special Assessments, the Series 2015 Bonds or any rights of the Trustee under the Indenture that is inconsistent with any direction from the Trustee; (b) the Trustee shall have the right, but is not obligated to, (i) vote in any such Proceeding any and all claims of the District, except for any claims the District may have related to the District's operation and maintenance assessments or other claims unrelated to the Series 2015 Special Assessments or such Series 2015 Bonds, or (ii) file any motion, pleading, plan or objection in any such Proceeding on behalf of the District, except for any claims the District may have related to the District's operation and maintenance assessments or other claims unrelated to the Series 2015 Special Assessments or such Series 2015 Bonds, including without limitation, motions seeking relief from the automatic stay, dismissal of the Proceeding, valuation of the property belonging to the Insolvent Taxpayer, termination of exclusivity, and objections to disclosure statements, plans of liquidation or reorganization, and motions for use of cash collateral, seeking approval of sales or post-petition financing; and, if the Trustee chooses to exercise any such rights, the District shall be deemed to have appointed the Trustee as its agent and granted to the Trustee an irrevocable power of attorney coupled with an interest, and its proxy, for the purpose of exercising any and all rights and taking any and all actions available to the District in connection with any Proceeding of any Insolvent Taxpayer, including, without limitation, the right to file and/or prosecute any claims, to propose and prosecute a plan, to vote to accept or reject a plan, and to make any election under Section 1111(b) of the Bankruptcy Code; and (c) the District shall not challenge the validity or amount of any claim submitted in such Proceeding by the Trustee in good faith or any valuations of the lands owned by any Insolvent Taxpayer submitted by the Trustee in good faith in such Proceeding or take any other action in such Proceeding, which is adverse to Trustee's enforcement of the District claim and rights with respect to the Series 2015 Special Assessments or receipt of adequate protection (as that term is defined in the Bankruptcy Code). Without limiting the generality of the foregoing, the District will agree that the Trustee shall have the right (i) to file a proof of claim with respect to the Series 2015 Special Assessments, (ii) to deliver to the District a copy thereof, together with evidence of the filing with the appropriate court or other authority, and (iii) to defend any objection filed to said proof of claim.

Notwithstanding the provisions of proviso (a) in the preceding paragraph, nothing in the above provisions shall preclude the District from becoming a party to a Proceeding in order to enforce a claim for operation and maintenance assessments, and the District shall be free to pursue such a claim in such manner as it shall deem appropriate in its sole and absolute discretion. Any actions taken by the District in pursuance of its claim for operation and maintenance assessments in any Proceeding shall not be considered an action adverse or inconsistent with the Trustee's rights or directions with respect to the Series 2015 Special Assessments whether such claim is pursued by the District or the Trustee.

Events of Default and Remedies

The Indenture provides that each of the following shall be an "Event of Default" under the Indenture, with respect to the Series 2015 Bonds:

- (a) if payment of any installment of interest on any Series 2015 Bonds is not made when it

becomes due and payable; or

(b) if payment of the principal or Redemption Price of the Series 2015 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 the Series 2015 Bonds issued pursuant to the Indenture 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 Holders of not less than a majority in aggregate principal amount of the Outstanding Series 2015 Bonds; 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) written notice shall have been received by the Trustee from a Credit Facility Issuer securing the Series 2015 Bonds, if any, that an event of default has occurred under the Credit Facility Agreement, or there shall have been a failure by said Credit Facility Issuer to make said Credit Facility available or to reinstate the interest component of said Credit Facility in accordance with the terms of said Credit Facility, to the extent said notice or failure is established as an event of default under the terms of a Supplemental Indenture; or

(g) The Trustee withdraws or is authorized to withdraw more than ten percent (10%) of the available funds (regardless of whether the Trustee does or does not, per the direction of a majority of the Owners of the outstanding Series 2015 Bonds, actually make such withdrawal), from the Series 2015 Debt Service Reserve Account established to pay Debt Service Requirements for the Series 2015 Bonds; or

(h) More than twenty-five percent (25%) of the operation and maintenance assessments levied and collected directly by the District are not paid by the date such are due and payable ("Delinquent Direct Billed Operation and Maintenance Assessments").

No Series of Bonds issued under the Master Indenture shall be subject to acceleration. If any Event of Default with respect to the Series 2015 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 Series 2015 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 Series 2015 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 Series 2015 Bonds and to perform its or their duties under the Act;

(b) bring suit upon the Series 2015 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 Series 2015 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 Series 2015 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 Series 2015 Bonds.

If any proceeding taken by the Trustee on account of any Event of Default is discontinued or is determined adversely to the Trustee, the District, the Trustee, the Paying Agent and the Bondholders shall be restored to their former positions and rights under the Master Indenture as though no such proceeding had been taken.

The Holders of a majority in aggregate principal amount of the Outstanding Series 2015 Bonds then subject to remedial proceedings under Article X of the Master 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 has covenanted and agreed that upon the occurrence and continuance of an Event of Default, it will take such actions to enforce the remedial provisions of the Indenture, the provisions for the collection of delinquent Special Assessments, the provisions for the foreclosure of liens of delinquent Special Assessments, and will take such other appropriate remedial actions as shall be directed by the Trustee acting at the direction of, and on behalf of, a majority of the Owners, from time to time, of the Series 2015 Bonds. Notwithstanding anything to the contrary in the Indenture, and unless otherwise directed by a majority of the Owners and allowed pursuant to Federal or State law, the District has acknowledged and agreed that (i) upon failure of any property owner to pay an installment of Series 2015 Special Assessments collected directly by the District when due, that the entire Series 2015 Special Assessments on the tax parcel as to which such delinquent Series 2015 Special Assessments pertains, with interest and penalties thereon, shall immediately become due and payable and the District shall promptly, but in any event within thirty (30) days, cause to be commenced the necessary legal proceedings for the foreclosure of liens of delinquent Series 2015 Special Assessments with respect to such tax parcel, 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. See "APPENDIX A: COPY OF MASTER TRUST INDENTURE AND PROPOSED FORM OF THIRD SUPPLEMENTAL TRUST INDENTURE".

ENFORCEMENT OF ASSESSMENT COLLECTIONS

General

The primary source of payment for the Series 2015 Bonds is the Series 2015 Special Assessments imposed on certain lands in the District specially benefited by the Phase 4 Project pursuant to the

Assessment Proceedings. See "ASSESSMENT METHODOLOGY" herein and "APPENDIX D: ASSESSMENT METHODOLOGY."

The determination, order, levy, and collection of Series 2015 Special Assessments must be done in compliance with procedural requirements and guidelines provided by State law. Failure by the District, the Collier County Tax Collector (the "Tax Collector") or the Collier County Property Appraiser (the "Property Appraiser") to comply with such requirements could result in delay in the collection of, or the complete inability to collect, Series 2015 Special Assessments during any year. Such delays in the collection of Series 2015 Special Assessments, or complete inability to collect any Series of the Series 2015 Special Assessments, would have a material adverse effect on the ability of the District to make full or punctual payment of the debt service requirements on the Series 2015 Bonds. See "BONDOWNERS' RISKS." To the extent that landowners fail to pay the Series 2015 Special Assessments, delay payments, or are unable to pay the same, the successful pursuance of collection procedures available to the District is essential to continued payment of principal of and interest on the Series 2015 Bonds. The Act provides for various methods of collection of delinquent Series 2015 Special Assessments by reference to other provisions of the Florida 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.

Alternative Uniform Tax Collection Procedure for Series 2015 Special Assessments

At such time as the Series 2015 Special Assessments are collected pursuant to the Uniform Method of collection, the provisions of this section shall become applicable. The Florida Statutes provide that, subject to certain conditions, non-ad valorem special assessments may be collected by using the uniform method (the "Uniform Method") of collection. The Uniform Method of collection is available only in the event the District complies with statutory and regulatory requirements and enters into agreements with the Tax Collector and Property Appraiser providing for the Series 2015 Special Assessments to be levied and then collected in this manner. The District's election to use a certain collection method with respect to the Series 2015 Special Assessments does not preclude it from electing to use another collection method in the future. See "Foreclosure" below with respect to collection of delinquent assessments not collected pursuant to the Uniform Method.

If the Uniform Method of collection is utilized, the Series 2015 Special Assessments will be collected together with County, special district, and other ad valorem taxes and non-ad valorem assessments, all of which will appear on the tax bill (also referred to as a "tax notice") issued to each landowner in the District. The statutes relating to enforcement of ad valorem taxes and non-ad valorem assessments provide that such taxes and assessments become due and payable on November 1 of the year when assessed, or as soon thereafter as the certified tax roll is received by the Tax Collector, and constitute a lien upon the land from January 1 of such year until paid or barred by operation of law. Such taxes and assessments (including the Series 2015 Special Assessments, if any, being collected by the Uniform Method) are to be billed, and landowners in the District are required to pay, all such taxes and assessments without preference in payment of any particular increment of the tax bill, such as the increment owing for the Series 2015 Special Assessments. Upon any receipt of moneys by the Tax Collector from the Series 2015 Special Assessments, such moneys will be delivered to the District, which will remit such Series 2015 Special Assessments to the Trustee for deposit to the Series 2015 Revenue Account within the Revenue Fund, except that any Prepayments of Series 2015 Special Assessments shall be deposited to the 2015 Prepayment Account in the Bond Redemption Fund created under the Indenture and applied in accordance therewith.

All County, school and special district, including the District, ad valorem taxes, non-ad valorem special assessments, including the Series 2015 Special Assessments, and voter-approved ad valorem taxes

levied to pay principal of and interest on bonds, are payable at one time, except for partial payment schedules as may be provided by Sections 197.374 and 197.222, Florida Statutes. Partial payments made pursuant to Sections 197.374 and 197.222, Florida Statutes, are distributed in equal proportion to all taxing districts and levying authorities applicable to that account. If a taxpayer does not make complete payment of the total amount, he or she cannot designate specific line items on his or her tax bill as deemed paid in full. In such cases, the Tax Collector does not accept such partial payment and the partial payment is returned to the taxpayer. Therefore, in the event the Series 2015 Special Assessments are to be collected pursuant to the Uniform Method, any failure to pay any one line item would cause the Series 2015 Special Assessments to not be collected to that extent, which could have a significant adverse effect on the ability of the District to make full or punctual payment of the debt service requirements on the Series 2015 Bonds.

Under the Uniform Method, if the Series 2015 Special Assessments are paid during November when due or during the following three months, the taxpayer is granted a variable discount equal to 4% in November and decreasing one percentage point per month to 1% in February. All unpaid taxes and assessments become delinquent on April 1 of the year following assessment. The Tax Collector is required to collect the ad valorem taxes and non-ad valorem special assessments on the tax bill prior to April 1 and, after that date, to institute statutory procedures upon delinquency to collect such taxes and assessments through the sale of "tax certificates," as discussed below. Delay in the mailing of tax notices to taxpayers may result in a delay throughout this process.

Neither the District nor the Underwriter can give any assurance to the holders of the Series 2015 Bonds (1) that the past experience of the Tax Collector with regard to tax and special assessment delinquencies is applicable in any way to the Series 2015 Special Assessments, (2) that future landowners and taxpayers in the District will pay such Series 2015 Special Assessments, (3) that a market may exist in the future for tax certificates in the event of sale of such certificates for taxable units within the District, and (4) that the eventual sale of tax certificates for real property within the District, if any, will be for an amount sufficient to pay amounts due under the Assessment Proceedings to discharge the lien of the Series 2015 Special Assessments and all other liens that are coequal therewith.

Collection of delinquent Series 2015 Special Assessments under the Uniform Method is, in essence, based upon the sale by the Tax Collector of "tax certificates" and remittance of the proceeds of such sale to the District for payment of the Series 2015 Special Assessments due. In the event of a delinquency in the payment of taxes and assessments on real property, the landowner may, prior to the sale of tax certificates, pay the total amount of delinquent ad valorem taxes and non-ad valorem assessments plus the cost of advertising and the applicable interest charge on the amount of such delinquent taxes and assessments. If the landowner does not act, the Tax Collector is required to attempt to sell tax certificates on such property to the person who pays the delinquent taxes and assessments owing, penalties and interest thereon and certain costs, and who accepts the lowest interest rate per annum to be borne by the certificates (but not more than 18%). Tax certificates are sold by public bid. If there are no bidders, the tax certificate is issued to the County. The County is to hold, but not pay for, the tax certificate with respect to the property, bearing interest at the maximum legal rate of interest (currently 18%). The Tax Collector does not collect any money if tax certificates are "struck off" (issued) to the County. The County may sell such certificates to the public at any time at the principal amount thereof plus interest at the rate of not more than 18% per annum and a fee. Proceeds from the sale of tax certificates are required to be used to pay taxes and assessments (including the Series 2015 Special Assessments), interest, costs and charges on the real property described in the certificate. The demand for such certificates is dependent upon various factors, which include the rate of interest that can be earned by ownership of such certificates and the underlying value of the land that is the subject of such certificates and which may be subject to sale at the demand of the certificate holder. Therefore, the underlying market value of the property within the District may affect the demand for certificates and the successful

collection of the Series 2015 Special Assessments, which are the primary source of payment of the Series 2015 Bonds. Legal proceedings under Federal bankruptcy law brought by or against a landowner who has not yet paid his or her property taxes or assessments would likely result in a delay in the sale of tax certificates.

Any tax certificate in the hands of a person other than the County may be redeemed and canceled, in whole or in part (under certain circumstances), at any time before a tax deed is issued or the property is placed on the list of lands available for sale, at a price equal to the face amount of the certificate or portion thereof together with all interest, costs, charges and omitted taxes due. Regardless of the interest rate actually borne by the certificates, persons redeeming tax certificates must pay a minimum interest rate of 5%, unless the rate borne by the certificates is zero percent. The proceeds of such a redemption are paid to the Tax Collector who transmits to the holder of the tax certificate such proceeds less service charges, and the certificate is canceled. Redemption of tax certificates held by the County is effected by purchase of such certificates from the County, as described in the preceding paragraph.

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

In any such public sale conducted by the Clerk of the Circuit Court, the private holder of the tax certificate who is seeking a tax deed for non-homestead property is deemed to submit a minimum bid equal to the amount required to redeem the tax certificate, charges for the cost of sale, including costs incurred for the service of notice required by statute, redemption of other tax certificates on the land, and the amount paid by such holder in applying for the tax deed, plus interest thereon. In the case of homestead property, the minimum bid is also deemed to include, in addition to the amount of money required for the minimum bid on non-homestead property, an amount equal to one-half of the latest assessed value of the homestead. If there are no higher bids, the holder receives title to the land, and the amounts paid for the certificate and in applying for a tax deed are credited toward the purchase price. If there are other bids, the holder may enter the bidding. The highest bidder is awarded title to the land. The portion of proceeds of such sale needed to redeem the tax certificate, and all other amounts paid by such person in applying for a tax deed, are forwarded to the holder thereof or credited to such holder if such holder is the successful bidder. Excess proceeds are distributed first to satisfy governmental liens against the land and then to the former title holder of the property (less service charges), lienholder of record, mortgagees of record, vendees of recorded contracts for deeds, and other lienholders and any other person to whom the land was last assessed on the tax roll for the year in which the land was assessed, all as their interest may appear.

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

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

Foreclosure

The following discussion regarding foreclosure is not applicable if the Series 2015 Special Assessments are being collected pursuant to the Uniform Method. In the event that the District, itself, directly levies and enforces, pursuant to Chapters 170 and 190, Florida Statutes, the collection of the Series 2015 Special Assessments levied on the land within the District, Chapter 170.10, Florida Statutes provides that upon the failure of any property owner to pay all or any part of the principal of a special assessment, including a Series 2015 Special Assessment, or the interest thereon, when due, the governing body of the entity levying the assessment is authorized to commence legal proceedings for the enforcement of the payment thereof, including commencement of an action in chancery, commencement of a foreclosure proceeding in the same manner as the foreclosure of a real estate mortgage, or commencement of an action under Chapter 173, Florida Statutes relating to foreclosure of municipal tax and special assessment liens. Such a proceeding is in rem, meaning that it is brought against the land not against the owner. In light of the one-year tolling period required before the District may commence a foreclosure action under Chapter 173, Florida Statutes, it is likely the District would commence an action to foreclose in the same manner as the foreclosure of a real estate mortgage rather than proceeding under Chapter 173, Florida Statutes.

Enforcement of the obligation to pay Series 2015 Special Assessments and the ability to foreclose the lien of such Series 2015 Special Assessments upon the failure to pay such Series 2015 Special Assessments may not be readily available or may be limited as such enforcement is dependent upon judicial action which is often subject to discretion and delay.

BONDOWNERS' RISKS

There are certain risks inherent in an investment in bonds issued by a public authority or governmental body in the State and secured by special assessments. Certain of these risks are described in other sections of this Limited Offering Memorandum. Certain additional risks are associated with the Series 2015 Bonds offered hereby and are set forth below. Prospective investors in the Series 2015 Bonds should have such knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of an investment in the Series 2015 Bonds and have the ability to bear the economic risks of such prospective investment, including a complete loss of such investment. This section does not purport to summarize all risks that may be associated with purchasing or owning the Series 2015 Bonds, and prospective purchasers are advised to read this Limited Offering Memorandum in its entirety for a more complete description of investment considerations relating to the Series 2015 Bonds.

Concentration of Land Ownership

As of the date of delivery of the Series 2015 Bonds, the Developer owns all of the developable lands within the Series 2015 Assessment Area of the District, which are the lands that will absorb the Series 2015 Special Assessments securing the Series 2015 Bonds Payment of the Series 2015 Special

Assessments is primarily dependent upon their timely payment by the Developer and the other future landowners in the Series 2015 Assessment Area of the District. Non-payment of the Series 2015 Special Assessments by the Developer would have a substantial adverse impact upon the District's ability to pay debt service on the Series 2015 Bonds. See "THE DEVELOPER" and "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2015 BONDS" herein.

Bankruptcy Risks

In the event of the institution of bankruptcy or similar proceedings with respect to the Developer or any other owner of benefited property, delays could occur in the payment of debt service on the Series 2015 Bonds as such bankruptcy could negatively impact the ability of: (i) the Developer and any other landowner being able to pay the Series 2015 Special Assessments; (ii) the Tax Collector to sell tax certificates in relation to such property with respect to the Series 2015 Special Assessments being collected pursuant to the Uniform Method; and (iii) the District to foreclose the lien of the Series 2015 Special Assessments not being collected pursuant to the Uniform Method. In addition, the remedies available to the Owners of the Series 2015 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 Series 2015 Bonds, including, without limitation, enforcement of the obligation to pay Series 2015 Special Assessments and the ability of the District to foreclose the lien of the Series 2015 Special Assessments if not being collected pursuant to the Uniform Method, may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2015 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 Series 2015 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, which is a special purpose government similar to the District, and not the bondholders or indenture trustee, was the creditor of the developer/debtors in bankruptcy with respect to claims for special assessments, and thus only the district could vote to approve or disapprove a reorganization plan submitted by the debtors in the case. The district voted in favor of the plan. The governing body of the District was at that time elected by the landowners rather than qualified electors. Under the reorganization plan that was approved, a two-year moratorium was placed on the debtor landowners' payment of special assessments. As a result of this non-payment of assessments, debt service payments on the district's bonds were delayed for two years or longer. The Indenture provides for the delegation of certain rights from the District to the Trustee in the event of a bankruptcy or similar proceeding with respect to an Insolvent Taxpayer (as previously defined). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2015 BONDS – Indenture Provisions Relating to Bankruptcy or Insolvency of Certain Developers." The District cannot express any view whether such delegation would be enforceable.

Series 2015 Special Assessments are Non-Recourse

The principal security for the payment of the principal and interest on the Series 2015 Bonds is the timely collection of the Series 2015 Special Assessments. The Series 2015 Special Assessments do not constitute a personal indebtedness of the landowners of the land subject thereto, but are secured by a lien on such land. There is no assurance that the Developer or subsequent landowners will be able to pay the Series 2015 Special Assessments or that they will pay such Series 2015 Special Assessments even though financially able to do so. Neither the Developer nor any other subsequent landowner has any

obligation to pay the Series 2015 Special Assessments. Neither the Developer nor any other subsequent landowner is a guarantor of payment of any Series 2015 Special Assessment and the recourse for the failure of the Developer or any other subsequent landowner, to pay the Series 2015 Special Assessments is limited to the collection proceedings against the land as described herein. Therefore the likelihood of collection of the Series 2015 Special Assessments may ultimately depend on the market value of the land subject to taxation. While the ability of the Developer or subsequent landowner to pay Series 2015 Special Assessments is a relevant factor, the willingness of the Developer or subsequent landowner to pay the taxes, which may also be affected by the value of the land subject to taxation, is also an important factor in the collection of Series 2015 Special Assessments. The failure of the Developer or subsequent landowners to pay the Series 2015 Special Assessments could render the District unable to collect delinquent Series 2015 Special Assessments, if any, and provided such delinquencies are significant, could negatively impact the ability of the District to make the full or punctual payment of debt service on the Series 2015 Bonds.

Regulatory and Environmental Risks

The development of the Development is subject to comprehensive federal, state and local regulations and future changes to such regulations. Approval is required from various public agencies in connection with, among other things, the design, nature and extent of planned improvements, both public and private, and construction of the infrastructure in accordance with applicable zoning, land use and environmental regulations. Although all such approvals required to date have been received and any further approvals are anticipated to be received as needed, failure to obtain any such approvals in a timely manner could delay or adversely affect the completion of the development of the District lands. See "THE DEVELOPMENT – Development Approvals," herein for more information. The value of the land within the District, the success of the Development and the likelihood of timely payment of principal and interest on the Series 2015 Bonds could be affected by environmental factors with respect to the land in the District. Should the land be contaminated by hazardous materials, this could materially and adversely affect the value of the land in the District, which could materially and adversely affect the success of the development of the lands within the District and the likelihood of the timely payment of the Series 2015 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. At the time of the delivery of the Series 2015 Bonds, the Developer is unaware of any condition which currently requires, or is reasonably expected to require in the foreseeable future, investigation or remediation under any applicable federal, state or local governmental laws or regulations relating to the environment. See "THE DEVELOPMENT – Environmental" for more information on the Developer's environmental site assessments. Nevertheless, it is possible that hazardous environmental conditions could exist within the District and that such conditions could have a material and adverse impact upon the value of the benefited lands within the District and no assurance can be given that unknown hazardous materials, protected animals or vegetative species, etc., do not currently exist or may not develop in the future whether originating within the District or from surrounding property, and what effect such may have on the development of the District lands.

Economic Conditions and Changes in Development Plans

The successful sale of the residential units, once such homes are built within the District may be affected by unforeseen changes in general economic conditions, fluctuations in the real estate market and other factors beyond the control of the Developer. Moreover, the Developer has the right to modify or change its plan for development of the Development, 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, and may seek in the future, in accordance with, and subject to the provisions of the Act, to contract or expand the boundaries of the District.

Other Taxes

The willingness and/or ability of an owner of benefited land to pay the Series 2015 Special Assessments could be affected by the existence of other taxes and assessments imposed upon such property by the District, the County or any other local special purpose or general purpose governmental entities. County, school, special district taxes and special assessments, and voter-approved ad valorem taxes levied to pay principal of and interest on debt, including the Series 2015 Special Assessments, collected pursuant to the Uniform Method are payable at one time. Public entities whose boundaries overlap those of the District, could, without the consent of the owners of the land within the District, impose additional taxes on the property within the District. The District anticipates imposing operation and maintenance assessments encumbering the same property encumbered by the Series 2015 Special Assessments. In addition, lands within the District may also be subject to assessments by property and home owner associations.

Limited Secondary Market for Series 2015 Bonds

The Series 2015 Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Series 2015 Bonds in the event an Owner thereof determines to solicit purchasers of the Series 2015 Bonds. Because the Series 2015 Bonds are being sold pursuant to exemptions from registration under applicable securities laws, no secondary market may develop and an owner may not be able to resell the Series 2015 Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Series 2015 Bonds may be sold. Such price may be lower than that paid by the current Owners of the Series 2015 Bonds, depending on the progress of development of the Development and the lands within the District, existing real estate and financial market conditions and other factors.

Inadequacy of Series 2015 Reserve Account

Some of the risk factors discussed herein, which, if materialized, would result in a delay in the collection of the Series 2015 Special Assessments, may not adversely affect the timely payment of debt service on the Series 2015 Bonds because of the Series 2015 Reserve Account. The ability of the Series 2015 Reserve Account to fund deficiencies caused by delinquent Series 2015 Special Assessments is dependent on the amount, duration and frequency of such deficiencies. Moneys on deposit in the Series 2015 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 Series 2015 Reserve Account to make up deficiencies. If the District has difficulty in collecting the Series 2015 Special Assessments, the Series 2015 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 Series 2015 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 Series 2015 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 Series 2015 Special Assessments in order to provide for the replenishment of the Series 2015 Reserve Account.

Legal Delays

If the District should commence a foreclosure action against a landowner for nonpayment of Series 2015 Special Assessments, such landowners may raise affirmative defenses to such foreclosure

action, which although such affirmative defenses would likely be proven to be without merit, 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 Series 2015 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 Series 2015 Bond proceeds that can be used for such purpose.

IRS Examination and Village Center Technical Advice Memorandum

The Internal Revenue Service (the "IRS") routinely examines bonds issued by state and local governments, including bonds issued by community Independent Special Districts. Currently, the IRS is examining certain issues of bonds (for purposes of this subsection, the "Audited Bonds") issued by Village Center Community Independent Special District ("Village Center CDD"). 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 as to a political subdivision. Village Center CDD may settle the examination of the Audited Bonds or, if the IRS determines that the interest on the Audited Bonds is not excludable from gross income, Village Center CDD could file an administrative appeal within the IRS. It is not possible to predict when the IRS's examination of the Audited Bonds will be concluded.

Although the TAMs are addressed to, and binding only on, the IRS and Village Center CDD in connection with the Audited Bonds, the IRS may commence additional audits of bonds issued by other community Independent Special Districts on the same basis and may take the position that similar community Independent Special Districts are not political subdivisions for purposes of Section 103(a) of the Code on this basis. The United States Department of the Treasury in its 2014-2015 Priority Guidance Plan, released August 26, 2014, has further stated its intention to provide future guidance on the definition of political subdivision under Code section 103 for purposes of the tax-exempt, tax credit, and direct pay bond provisions, which reflects a potential change in the United States Department of the Treasury's interpretation under current law.

It has been reported that the IRS has recently closed audits of other community Independent Special Districts in Florida with no change to such districts' bonds' tax-exempt status, but has advised such districts that such districts must have public electors within five years of the issuance of tax-exempt bonds or their bonds may be determined to be taxable retroactive to the date of issuance. Pursuant to the Act, general elections are not held until the later of six years and there are 250 qualified electors in the district. The current members of the Board of the District are employees of the Developer. However, unlike Village Center CDD, the District 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. The Developer will certify as to its expectations as to the timing of the transition of control of the Board of the District to Qualified Electors pursuant to the Act, and its expectations as to compliance with the Act by any members of the Board that it elects. Such certification by the Developer does not assure that such certification shall be determinative of, or may influence the outcome of any audit by the IRS, or any appeal from such audit, that may result in an adverse ruling that the District is not a political subdivision for purposes of Section 103(a) of the Code. Further, there can be no assurance that an audit by the IRS of the Series 2015 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 Series 2015 Bonds are advised that, if the IRS does audit the Series 2015 Bonds, under its current procedures, at least during the early stages of an audit, the IRS will treat the District as the taxpayer, and the Owners of the Series 2015 Bonds may have limited rights to participate in those proceedings. The commencement of such an audit could adversely affect the market value and liquidity of the Series 2015 Bonds until the audit is concluded, regardless of the ultimate outcome. In addition, in the event of an adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2015 Bonds, it is unlikely the District will have available revenues to enable it to contest such determination or enter into a voluntary financial settlement with the IRS. Further, an adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2015 Bonds would adversely affect the availability of any secondary market for the Series 2015 Bonds. Should interest on the Series 2015 Bonds become includable in gross income for federal income tax purposes, not only will Owners of Series 2015 Bonds be required to pay income taxes on the interest received on such Series 2015 Bonds and related penalties, but because the interest rate on such Series 2015 Bonds will not be adequate to compensate Owners of the Series 2015 Bonds for the income taxes due on such interest, the value of the Series 2015 Bonds may decline.

THE INDENTURE DOES NOT PROVIDE FOR ANY ADJUSTMENT IN THE INTEREST RATE ON THE SERIES 2015 BONDS IN THE EVENT OF AN ADVERSE DETERMINATION BY THE IRS WITH RESPECT TO THE TAX-EXEMPT STATUS OF INTEREST ON THE SERIES 2015 BONDS. PROSPECTIVE PURCHASERS OF THE SERIES 2015 BONDS SHOULD EVALUATE WHETHER THEY CAN OWN THE SERIES 2015 BONDS IN THE EVENT THAT THE INTEREST ON THE SERIES 2015 BONDS BECOMES TAXABLE AND/OR THE DISTRICT IS EVER DETERMINED TO NOT BE A POLITICAL SUBDIVISION FOR PURPOSES OF THE CODE AND/OR SECURITIES ACT (AS HEREINAFTER DEFINED).

Loss of Exemption from Securities Registration

Since the Series 2015 Bonds have not been and will not be registered under the Securities Act of 1933, as amended, 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 Series 2015 Bonds may not be able to rely on the exemption from registration under the Securities Act of 1933, as amended (the "Securities Act"), relating to securities issued by political subdivisions. In that event the Owners of the Series 2015 Bonds would need to ensure that subsequent transfers of the Series 2015 Bonds are made pursuant to a transaction that is not subject to the registration requirements of the Securities Act.

Federal Tax Reform

Various proposals are mentioned from time to time by members of the Congress of the United States of America and others concerning reform of the internal revenue (tax) laws of the United States. In addition, the Service may, in the future, issue rulings that have the effect of changing the interpretation of existing tax laws. Certain of these proposals and interpretations, if implemented or upheld, could have the effect of diminishing the value of obligations of states and their political subdivisions, such as the Series 2015 Bonds, by eliminating or changing the tax-exempt status of interest on certain of such bonds. Whether any of such proposals will ultimately become or be upheld as law, and if so, the effect such proposals could have upon the value of bonds such as the Series 2015 Bonds, cannot be predicted. However, it is possible that any such law or interpretation could have a material and adverse effect upon

the availability of a liquid secondary market and/or the value of the Series 2015 Bonds. See also "TAX MATTERS.

State Tax Reform

It is impossible to predict what new proposals may be presented regarding ad valorem tax reform and/or community Independent 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 Independent Special District may issue and provide additional oversight for community Independent Special District bonds. This report renews requests made by the Auditor General in 2011 that led to the Governor of the State issuing an Executive Order on January 11, 2012 (the "Executive Order") directing the Office of Policy and Budget in the Executive Office of the Governor ("OPB") to examine the role of special districts in the State. As of the date hereof, the OPB has not made any recommendations pursuant to the Executive Order nor has the Florida legislature passed any related legislation. It is impossible to predict with certainty the impact that any existing or future legislation will or may have on the security for the Series 2015 Bonds. It should be noted that Section 190.16(14) of the Act provides in pertinent part that "The state pledges to the holders of any bonds issued under the Act that it will not limit or alter the rights of the district to levy and collect the ... assessments... and to fulfill the terms of any agreement made with the holders of such bonds ... and that it will not impair the rights or remedies of such holders."

Insufficient Resources or Other Factors causing Failure to Complete the Phase 4 Project or the Development of, and Construction of Homes within, the Series 2015 Assessment Area

There can be no assurance, in the event the District does not have sufficient moneys on hand to complete the Phase 4 Project, that the District will be able to raise through the issuance of bonds, or otherwise, the moneys necessary to complete the Phase 4 Project. Further, pursuant to the Indenture, the District covenants and agrees that so long as the Series 2015 Special Assessments have not been Substantially Absorbed, it shall not issue Bonds or other debt obligations, other than refunding bonds, secured by Special Assessments for capital projects on lands subject to the Series 2015 Special Assessments. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2015 BONDS – Additional Bonds" for more information.

Further, it is anticipated that the cost to finish the Phase 4 Project will exceed the net proceeds from the Series 2015 Bonds. Although the Developer will agree to fund or cause to be funded the completion of the Phase 4 Project [and the remainder of the development work in Series 2015 Assessment Area] regardless of the insufficiency of proceeds from the Series 2015 Bonds and will enter into a Completion Agreement with the District as evidence thereof, there can be no assurance that the Developer will have sufficient resources to do so. Such obligation of the Developer is an unsecured obligation. In addition, there is the possibility that even if the Series 2015 Assessment Area is developed, there will not be any homes constructed within it. See "THE DEVELOPMENT" herein for more information.

Payment of Series 2015 Special Assessments after Bank Foreclosure

In the event a bank forecloses on property because of a default on the mortgage and then the bank itself fails, the Federal Deposit Insurance Corporation (the "FDIC"), as receiver will then become the fee owner of such property. In such event, the FDIC will not, pursuant to its own rules and regulations, likely be liable to pay the Series 2015 Special Assessments. In addition, the District would require the consent of the FDIC prior to commencing a foreclosure action.

ESTIMATED SOURCES AND USES OF FUNDS

Source of Funds

Par Amount of Series 2015 Bonds	\$ _____
[Original Issue Discount]	_____
Total Sources	\$ _____

Use of Funds

Deposit to Series 2015 Acquisition and Construction Account	\$ _____
Deposit to Series 2015 Debt Service Reserve Account	_____
Deposit to Series 2015 Interest Account ⁽¹⁾	_____
Costs of Issuance, including Underwriter's Discount ⁽²⁾	_____
Total Uses	\$ _____

(1) Interest capitalized through and including _____ 1, 201_.

(2) Costs of issuance includes, without limitation, legal fees and other costs associated with the issuance of the Series 2015 Bonds.

[Remainder of page intentionally left blank.]

DEBT SERVICE REQUIREMENTS

The following table sets forth the scheduled debt service on the Series 2015 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 Series 2015 Bonds.

THE DISTRICT

General Information

The District was established by Ordinance 02-09 of the Board of County Commissioners of Collier County, Florida (the "County"), enacted on February 26, 2002, and effective on March 4, 2002 (the "Ordinance"). The District encompasses approximately 830 gross acres of partially developed land, of which approximately 710 acres are developable. See "THE DEVELOPMENT" herein for more information.

Legal Powers and Authority

The District is an independent unit of local government created pursuant to and established in accordance with the Act. The Act was enacted in 1980 to provide a uniform method for the establishment of independent districts to manage and finance basic community development services, including capital infrastructure required for community developments throughout the State of Florida. The Act provides legal authority for community development districts (such as the District) to finance the acquisition, construction, operation and maintenance of the major infrastructure for community development pursuant to its general law charter.

Among other provisions, the Act gives the District's Board of Supervisors the authority to, among other things, (a) plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate and maintain systems and facilities for, among other things: (i) water management and control for lands within the District and to connect any of such facilities with roads and bridges; (ii) water supply, sewer and waste-water management, reclamation and reuse systems or any combination thereof and to construct and operate connecting intercept or outlet sewers and sewer mains and pipes and water mains, conduits, or pipelines in, along, and under any street, alley, highway, or other public place or ways, and to dispose of any effluent, residue, or other byproducts of such system or sewer system; (iii) District roads equal to or exceeding the specifications of the county in which such district roads are located and street lights, landscaping, hardscaping, and undergrounding of electric utility lines; and (iv) with the consent of the local general-purpose government within the jurisdiction of which the power is to be exercised, parks and facilities for indoor and outdoor recreational uses and security; (b) borrow money and issue bonds of the District; (c) impose and foreclose special assessments liens as provided in the Act; and (d) exercise all other powers, necessary, convenient, incidental or proper in connection with any of the powers or duties of the District stated in the Act.

The Act does not empower the District to adopt and enforce any land use plans or zoning ordinances and the Act does not empower the District to grant building permits. These functions are to be performed by general purpose local governments having jurisdiction over the lands within the District.

The Act exempts all property owned by the District from levy and sale by virtue of an execution and from judgment liens, but does not limit the right of any owner of lands of the District to pursue any remedy for enforcement of any lien or pledge of the District in connection with its bonds, including the Series 2015 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 two Supervisors receiving the highest number of votes to serve for four years and the remaining Supervisors to serve for a two-year term. Three of the five Supervisors are elected to the Board every two years in November. At such election the two Supervisors

receiving the highest number of votes are elected to four-year terms and the remaining Supervisor is elected to a two-year term. Until the later of six (6) years after the initial appointment of Supervisors or the year in which there are at least 250 qualified electors in the District, or such earlier time as the Board may decide to exercise its ad valorem taxing power, the Supervisors are elected by vote of the landowners of the District. Ownership of the land within the District entitles the owner to one vote per acre (with fractions thereof rounded upward to the nearest whole number and, for purposes of determining voting interests, platted lots shall be counted individually and rounded up to the nearest whole acre and shall not be aggregated for determining the number of voting units held). Upon the later of six (6) years after the initial appointment of Supervisors or the year in which there are at least 250 qualified electors in the District, the Supervisors whose terms are expiring will be elected (as their terms expire) by qualified electors of the District, except as described below. A qualified elector is a registered voter who is at least eighteen years of age, a resident of the District and the State of Florida and a citizen of the United States. At the election where Supervisors are first elected by qualified electors, two Supervisors must be qualified electors and be elected by qualified electors, both to four-year terms. Thereafter, as terms expire, all Supervisors must be qualified electors and are elected to serve four-year terms. If there is a vacancy on the Board, whether as a result of the resignation or removal of a Supervisor or because no elector qualifies for a seat to be filled in an election, the remaining Board members are to fill such vacancy for the unexpired term.

Notwithstanding the foregoing, if at any time the Board proposes to exercise its ad valorem taxing power, prior to the exercise of such power, it shall call an election at which all Supervisors shall be qualified electors and shall be elected by qualified electors in the District. Elections subsequent to such decision shall be held in a manner such that the Supervisors will serve four-year terms with staggered expiration dates in the manner set forth in the Act. At the time of the sale of the Series 2015 Bonds, the Developer owns the majority of land in the District.

The Act provides that it shall not be an impermissible conflict of interest under Florida law governing public officials for a Supervisor to be a stockholder, officer or employee of a landowner or of any entity affiliated with a landowner (which includes the Developer).

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>
John Asher*	Chairperson	November, 2016
Keith Berg*	Vice-Chairperson	November, 2016
Anthony Burdett*	Assistant Secretary	November, 2018
Stephen Reiter*	Assistant Secretary	November, 2018
Sal Simonetti*	Assistant Secretary	November, 2016

* Employee of the Developer or an affiliate of the Developer.

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

The District Manager and Other Consultants

The chief administrative official of the District is the District Manager (as hereinafter defined). The Act provides that a district manager has charge and supervision of the works of the District and is

responsible for preserving and maintaining any improvement or facility constructed or erected pursuant to the provisions of the Act, for maintaining and operating the equipment owned by the District, and for performing such other duties as may be prescribed by the Board.

The District has retained JPWard and Associates, LLC, Wilton Manors, Florida, to serve as its district manager ("District Manager"). The District Manager's office is located at 2041 NE 6 Terrace, Wilton Manors, Florida 33305, telephone number (954) 658-4900.

The Act further authorizes the Board to hire such employees and agents as it deems necessary. Thus, the District has employed the services of Bryant Miller Olive P.A., Orlando, Florida, as Bond Counsel; Waldrop Engineering, P.A., Bonita Springs, Florida, as Consulting Engineer; and Coleman, Yovanovich & Koester, P.A., Naples, Florida, as District Counsel. The Board has also retained JPWard and Associates, LLC, Wilton Manors, Florida, to serve as Methodology Consultant and to prepare the Assessment Methodology.

Outstanding Bonds

The District previously issued its Special Assessment Bonds, Series 2013 (the "Series 2013 Bonds") on December 12, 2013 in the original principal amount of \$7,050,000 which are currently outstanding in the aggregate principal amount of [\$6,965,000] and its Special Assessment Bonds, Series 2015 (the "Series 2015 Phase 3 Bonds") on April 9, 2015 in the original principal amount of \$3,950,000, all of which are currently outstanding. The Series 2013 Bonds and the Series 2015 Phase 3 Bonds are secured by assessments levied on lands in the District separate and distinct from the lands that will be subject to the Series 2015 Special Assessments securing the Series 2015 Bonds.

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THE CAPITAL IMPROVEMENT PLAN AND THE PHASE 4 PROJECT

In the "Flow Way Community Development District Master Engineer's Report" dated August, 2013 (the "Master Engineer's Report") and the "Flow Way Community Development District Phase 4 Engineer's Report for the 2015 Project" dated October 2015 (the "Phase 4 Engineer's Report" and, together with the Master Engineer's Report, the "Engineer's Report"), the District Engineer sets forth the District's capital improvement plan (the "CIP"). The total cost of the entire District CIP, which includes without limitation the Phase 4 Project, is estimated to be approximately [\$31.9] million. The CIP includes offsite improvements, earthwork, drainage facilities, water facilities, wastewater facilities, irrigation facilities, exterior landscaping, professional and permit fees and environmental preservation and mitigation. The CIP is expected to be substantially complete by 2020. See the Engineer's Report attached hereto in Appendix C for a breakdown of the CIP and estimated costs associated therewith.

In December 2013 the District issued its Series 2013 Bonds in the original principal amount of \$7,050,000 to provide funds for the Series 2013 Project. The Series 2013 Project consisted of Phases 1 and 2 of the District's CIP. The total cost of the Series 2013 Project was approximately \$10,190,770 and [was completed in the second quarter of 2015]. See "THE DEVELOPMENT – Update on Series 2013 Assessment Area" for more information.

In April 2015 the District issued its Series 2015 Bonds in the original principal amount of \$3,950,000 to provide funds for the Series 2015 Project. The Series 2015 Project consisted of Phase 3 of the District's CIP. The total cost of the Series 2013 Project was approximately \$3,453,575 and is expected to be completed in the _____ quarter of 201___. See "THE DEVELOPMENT – Update on Series 2015 Phase 3 Assessment Area" for more information.

The "Phase 4 Project" shall mean Phase 4 of the CIP, as further described in the Engineer's Report. The Phase 4 Project will include certain improvements to the stormwater management system, utilities (consisting of potable water, sanitary sewer and irrigation improvements), exterior landscaping, certain off-site improvements, and environmental mitigation. See Phase 4 Engineer's Report attached hereto in Appendix C for more information regarding the Phase 4 Project. The Phase 4 Engineer's Report estimates the total cost of the Phase 4 Project to be approximately \$3,888,694, which consists of the following:

<u>Description</u>	<u>Estimated Phase 4 Project Costs</u>
Surface Water Management	\$1,969,854
Water	251,691
Wastewater	364,952
Irrigation	293,156
Exterior Landscaping	198,518
Offsite Improvements	175,265
Environmental Mitigation	291,160
Professional & Permit Fees	<u>344,098</u>
Total	\$3,888,694

Net proceeds from the Series 2015 Bonds will fund approximately \$___ million of the Phase 4 Project. The Developer will covenant to complete the Phase 4 Project to the extent not funded with the net proceeds of the Series 2015 Bonds. See "BONDOWNERS' RISKS – No. 15". See also "THE DEVELOPMENT – Developer Finance Plan and the Status of the Series 2015 Assessment Area" herein for more information regarding the status of development in the Series 2015 Assessment Area.

The District expects to issue Additional Bonds to fund other portions of the CIP that will be

secured by special assessments levied on District Lands separate and distinct from the District Lands subject to the Series 2013 Special Assessments, the Series 2015 (Phase 3) Special Assessments and the Series 2015 Special Assessments. See "SECURITY FOR AND SOURCE OF PAYMENT OF SERIES 2015 BONDS – Additional Obligations" for a summary of the Indenture provisions restricting future bonds on the District Lands subject to the Series 2015 Special Assessments.

ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS

JPWard and Associates, LLC, Wilton Manors, Florida (the "Methodology Consultant"), has prepared the "Flow Way Community Development District Series 2015 – Phase 4 Capital Improvement Program" dated _____, 2015 (the "Assessment Methodology") included herein as Appendix D. The Assessment Methodology sets forth an overall method for allocating the Series 2015 Special Assessments to be levied against that portion of the lands within the District benefited by the Phase 4 Project, and collected by the District as a result thereof. Once the final terms of the Series 2015 Bonds are determined, the Assessment Methodology will be revised to reflect such final terms. Once levied and imposed, the Series 2015 Special 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 Series 2015 Special Assessments that will secure the Series 2015 Bonds will be levied only on Phase 4 of the Development, consisting of approximately [26.64] gross acres (the "Series 2015 Assessment Area"), and not any other land within the District. It is anticipated that the Series 2015 Assessment Area will contain approximately 107 single family units and 56 multi-family units, [of which 71 of the 107 single family units and all of the multi-family units have been platted as of the date hereof]. See "Development Finance Plan and Status of Series 2015 Assessment Area" for a summary of the platting status of the lots within the Series 2015 Assessment Area.

[At the respective closings with residential end users, the Developer has indicated that it intends prepay a portion of the Series 2015 Special Assessments levied on such lots.] The estimated Series 2015 Special Assessments to be levied to pay debt service on the Series 2015 Bonds and the estimated Series 2015 Bonds total par per unit are set forth below:

Product	# of Units	Annual Series 2015 Special Assessment Prior to Optional Prepayment*	Series 2015 Bonds Total Par Per Unit Prior to Optional Prepayment*	Annual Series 2015 Special Assessment After Optional Prepayment*	Series 2015 Bonds Total Par Per Unit After Optional Prepayment*
SF 52'	76				
SF 62'	31				
MF	<u>56</u>				
Total	163				

* Preliminary, subject to change. Includes estimated Collier County collection costs and the statutory early payment discount, which may fluctuate. [The Developer has indicated that it anticipates prepaying a portion of the Series 2015 Special Assessments levied on each of the 52' and 62' lots in the respective amounts of approximately \$12,000 and \$11,000, respectively, prior to conveying the same to residential end users; provided, however, the Developer is not obligated to make such prepayments.]

In addition to the above estimated Series 2015 Special Assessments, each homeowner in the Development will pay annual taxes, including local ad valorem property taxes, the maintenance and operating assessments to be levied by the District which are currently anticipated to be approximately

[\$250] annually, subject to increase. The total millage rate in the unincorporated area of the County is approximately 9.71 mills. These taxes would be payable in addition to the assessments levied by the District. In addition, exclusive of voter approved millages levied for general obligation bonds, as to which no limit applies, the County and the School District of Collier County, Florida may each levy ad valorem taxes upon the land in the District. The District has no control over the level of ad valorem taxes and/or special assessments levied by other taxing authorities. It is possible that in future years taxes and assessments levied by these other entities could be substantially higher than in the current year. See "BONDOWNERS RISKS" and "THE DEVELOPMENT – Taxes, Fees and Assessments" for more information, including proposed associations' assessments.

Set forth below is a map of the District which includes the Series 2015 Assessment Area.

[insert map of Series 2015 Assessment Area.]

The following information appearing below under the captions "THE DEVELOPMENT" and "THE DEVELOPER" has been furnished by the Developer for inclusion in this Limited Offering Memorandum and, although believed to be reliable, such information has not been independently verified by the District or its counsel, or the Underwriter or its counsel, and no person other than the Developer makes any representation or warranty as to the accuracy or completeness of such information supplied by it.

The following information is provided by the Developer as a means for the prospective bondholders to understand the anticipated development plan and risks associated with the Development. The Developer's obligations to pay the Series 2015 Special Assessments are no greater than the obligation of any other landowner within the District. The Developer is not a guarantor of payment on any property within the District and the recourse for the Developer's failure to pay is limited to its ownership interests in the property.

THE DEVELOPMENT

General

Esplanade Golf and Country Club of Naples (the "Development") is an approximately 1,798 gross acre, 710 developable acre, master-planned residential and bundled golf community located entirely in the unincorporated area of the County, which is in the process of being expanded by an additional 19.65 gross acres. The Development is situated northeast of the intersection of Immokalee Road and County Road 951, about three miles east of Interstate 75 and is located within three to eight miles of several big box stores (i.e., Target, Wal-Mart, Home Depot, etc.), chain restaurants and boutique shopping and dining in Mercato, Village on Venetian Bay and Fifth Avenue. There are also numerous medical facilities within six to eight miles of the Development including North Collier Hospital and Physicians Regional Medical Center.

The Development was originally planned to consist of approximately 1,121 single family and multi-family dwelling units, an 18-hole golf course, a clubhouse and a network of trails and parks, but may be expanded to include up to an additional 112 single family or multi-family units. The entire existing developable portion of the Development is located within the District; however, the Development also includes 969 gross acres of conservation areas that are located outside of the District [and the additional 19.65 gross acres that may be added to the Development are not currently within the District boundaries but may be at some time in the future].

The Development is being developed in phases. Land development commenced in January 2013 and the entire Development is expected to be completed by 2020. The District previously issued its Series 2013 Bonds on December 12, 2013 in connection with the development of Phases 1 and 2 of the Development (the "Series 2013 Assessment Area") and its Series 2015 Phase 3 Bonds on April 9, 2015 in connection with the development of Phase 3 of the Development (the "Series 2015 (Phase 3) Assessment Area"). The lands in the Series 2013 Assessment Area and Series 2015 (Phase 3) Assessment Area are not subject to the Series 2015 Special Assessments that are securing the Series 2015 Bonds. See "Update on Series 2013 and Series 2015 (Phase 3) Assessment Areas" below for more information on the status of the Series 2013 Assessment Area and the Series 2015 (Phase 3) Assessment Area. The Series 2015 Bonds are secured by the Series 2015 Special Assessments which are being levied on the lands in Phase 4 of the Development (the "Series 2015 Assessment Area"). The District anticipates issuing Additional Bonds in the future in connection with the development of the remaining land in the District outside of the Series 2013 Assessment Area, the Series 2015 (Phase 3) Assessment Area and the Series 2015 Assessment Area.

[Taylor Morrison Esplanade Naples, LLC, a Florida limited liability company (the "Developer"), owns the majority of the land in the District and all of the land in the Series 2015 Assessment Area.] See "THE DEVELOPER" herein for more information regarding the Developer. The Developer will be responsible for land development and the marketing and construction of homes for sale. Other than certain lots sold to an affiliate of Stock Development, a homebuilder, the Developer does not anticipate any other homebuilders will be building in the Development, however the Developer is not prohibited from selling any of its lots to other homebuilders.

Update on Series 2013 and Series 2015 (Phase 3) Assessment Areas

The District previously issued its Series 2013 Bonds and Series 2015 Phase 3 Bonds to provide funds for the Series 2013 Project benefitting Phases 1 and 2 of the Development and the Series 2015 Project benefitting Phase 3 of the Development, respectively. The Series 2013 Special Assessments that secure the Series 2013 Bonds were levied only on Phases 1 and 2 of the Development and the Series 2015 (Phase 3) Special Assessments that secure the Series 2015 Phase 3 Bonds were levied only on Phase 3 of the Development. The lands in the Series 2013 Assessment Area and the Series 2015 (Phase 3) Assessment Area are not subject to the Series 2015 Special Assessments and are not security for the Series 2015 Bonds.

Home construction began in the Series 2013 Assessment Area in January 2014. The Developer closed the first residential home in the Series 2013 Assessment Area in September 2014. Home construction began in the Series 2015 (Phase 3) Assessment Area in March 2015 by Stock Development. A summary of the status of the Series 2013 Assessment Area and the Series 2015 (Phase 3) Assessment Area as of September 30, 2015 is set forth below.

Series 2013 Assessment Area

Product Type	Units	Developed & Platted Units	Units under Contract	Units Constructed	Units Under Construction	Units Sold and Closed
Single Family 52'	69	69	16	39	15	37
Single Family 57'	1	1	0	1	0	1
Single Family 62'	82	82	14	32	15	30
Single Family 76'	61	61	13	18	11	16
Single Family 90'	7	7	0	0	0	0
Multi-Family	<u>96</u>	<u>96</u>	<u>8</u>	<u>16</u>	<u>16</u>	<u>11</u>
TOTAL	316	316	51	106	57	95

Series 2015 (Phase 3) Assessment Area

Product Type	Units	Developed & Platted Units	Units under Contract	Units Constructed	Units Under Construction	Units Sold and Closed
Single Family 52'	32	32	0	0	0	0
Single Family 76'	23	23	0	0	0	0
Single Family 90'	18	18	0	0	0	0
Single Family 100'	<u>17</u>	<u>17</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	90	90	0	0	0	0

Approximately \$28,780,675 was spent by the Developer developing Phases 1 and 2 of the Development (which does not include the cost of the work of the Original Developer) [and the total estimated cost to complete development of Phases 1 and 2 is approximately \$225,000. The Developer anticipates completing construction of all infrastructure in the Series 2013 Assessment Area by the second quarter of 2016, which is primarily the final lift of asphalt pavement.

Approximately \$_____ has been spent to date by the Developer developing Phase 3 of the Development (which does not include the cost of the work of the Original Developer) and the total estimated cost to complete development of Phase 3 is approximately \$_____. The Developer anticipates completing construction of all infrastructure in the Series 2015 (Phase 3) Assessment Area by the _____ quarter of 201__.

Land Acquisition by the Developer

The Developer acquired all of the land within the District on January 30, 2013, for a purchase price of approximately \$32,000,000. The Developer has since sold 15 ninety foot (90') lots outside of the Series 2015 Assessment Area to Stock Development. All of the Developer's land within the District was originally subject to a Mortgage and Security Agreement dated January 30, 2013 and recorded on February 7, 2013 in Book 4883, Page 3973 of the Official Records of the County (the "Mortgage") in favor of IMCollier Joint Venture, a Florida joint venture (the "Mortgagee"). The Mortgage originally secured obligations in the original aggregate principal amount of \$27,000,000. The Developer's lands in the Series 2015 Assessment Area, as well as the golf course, clubhouse and other amenities, have been released from the lien of the Mortgage.

The Mortgage continues to be a lien on the remaining Developer owned properties in the District outside of the Series 2013 Assessment Area, the Series 2015 (Phase 3) Assessment Area and the Series 2015 Assessment Area, which includes the District Lands planned for the remaining 552 residential units and securing Developer obligations in the aggregate outstanding principal amount of [\$12,000,000]. The obligations accrue interest at the fixed rate of 2% per annum and have a final maturity date of October 11, 2019. The Developer is obligated to pay the Mortgagee the following principal amounts on the following dates and in connection therewith the Mortgagee will release the following number of lots:

<u>Principal Due Date</u>	<u>Principal Amount</u>	<u># of Lots Released</u>
October 11, 2016	\$3,000,000	158
October 11, 2017	\$3,000,000	135
October 11, 2018	\$3,000,000	127
October 11, 2019	\$3,000,000	132

Development Finance Plan and Status of Series 2015 Assessment Area

Land development commenced in the Series 2015 Assessment Area in _____, 2015. As of _____, 2015, the Developer has spent approximately \$_____ on development costs in the Series 2015 Assessment Area and the total land development costs to complete the development of the Series 2015 Assessment Area is estimated by the Developer to be approximately \$_____. It is anticipated that the Series 2015 Assessment Area will contain approximately 107 single family units and 56 multi-family units, [of which 71 of the 107 single family units and all of the multi-family units have been platted as of the date hereof]. The remaining units in the Series 2015 Assessment Area are anticipated to be platted in _____, 201__. The Developer anticipates completing development of the Series 2015 Assessment Area in the ____ quarter of 201__.

The net proceeds of the Series 2015 Bonds, estimated to be approximately \$__ million, will be

used to provide funds to construct a portion of the 2015 Project. The Developer will enter into a completion agreement at closing on the Series 2015 Bonds to complete any portion of the 2015 Project not funded with the Series 2015 Bonds. See "BONDOWNERS' RISKS – No. 15" herein.

Residential Product Offerings

The following table reflects the Developer's current expectations for the neighborhoods to be constructed in the Series 2015 Assessment Area along with the number of developable units, bedrooms, bathrooms, square footages, and home prices, all of which are subject to change.

<u>Product</u>	<u>Lot Width</u>	<u>Units</u>	<u>Bedrooms</u>	<u>Baths</u>	<u>Square Feet</u>	<u>Estimated Retail Lot Value</u>	<u>Estimated Home Prices</u>
Single Family	52'	76	2 - 3	2 - 3.5	1,800 – 3,200	\$102,550	\$340,000 - \$480,000
Single Family	62'	31					
<u>Multi-Family</u>	N/A	<u>56</u>					
Total		163					

The Developer anticipates the following homes in the Series 2015 Assessment Area will be sold to residential end users in the following years: __ homes in 201__, __ homes in 201__, __ homes in 201__, and __ homes in 201__. These anticipated absorption rates are based upon estimates and assumptions made by the Developer that are inherently uncertain, though considered reasonable by the Developer, and are subject to significant business, economic, and competitive uncertainties and contingencies, all of which are difficult to predict and many of which are beyond the control of the Developer. As a result, there can be no assurance such absorption rates will occur or be realized in the time frames anticipated.

Permits and Development Approvals

The Development has received zoning and site plan approval as a Residential Planned Unit Development (the "RPUD"). The zoning approval will allow for the development of a maximum of 1,121 residential units within the District's boundaries.

[The RPUD requirements are set forth in County Ordinances 2004-41, 2009-21 and 2012-41. The RPUD imposes certain development obligations on the Developer, at the Developer's cost, including, without limitation, the following: (i) dedication to the County of certain rights-of-ways; (ii) construction of a 10' wide multi-use pathway to be located along the Immokalee Road right-of-way on the north side of the Cocohatchee Canal as part of the entrance construction, which such construction is currently underway and expected to be completed in six to eight weeks; (iii) the construction of the Developer's fair share of the north leg of the CR-951 / Broken Back Road intersection with Immokalee Road in accordance with the RPUD prior to issuance of the 400th building permit or commencement of construction of the intersection improvements, [which is currently in the design phase and the Developer anticipates will cost approximately \$500,000]; (iv) construction of the two northbound lanes of a future four land road design of Broken Back Road / Collier Boulevard (CR-951) from The Quarry's north entrance to the Project's Eastern entrance in accordance with the RPUD, which is currently in the design phase and the Developer anticipates will cost approximately \$332,170; and (v) complete construction of the golf course and temporary golf pro shop / locker room prior to the issuance of a certificate of occupancy for the 100th dwelling unit. The Developer completed the temporary golf pro shop / locker room, consisting of a triple wide trailer, in March 2014 at a total cost of approximately \$300,000 and the golf course was completed in March 2014. The Developer is required to complete construction of the permanent golf pro shop / locker room prior to the issuance of a certificate of occupancy for the 500th

dwelling unit. [The permanent golf pro shop / locker room are currently in the design phase]. See "Amenities" below for more information.]

[The Developer has entered into a contract to purchase an additional 19.65 acre parcel located adjacent to and near the southeast corner of the Development. The 19.65 acres parcel has received Collier County zoning approval by amending and adding the property to the existing RPUD. The property is entitled for a maximum of 112 dwelling units and will comply with the existing development standards. The additional property has also received South Florida Water Management District Environmental Resource Permit. This property is within the Collier County PUD, but currently not within the boundary of the District, but maybe included at some point in the future.]

[The Developer has received all required South Florida Water Management District permits for all planned stormwater management and wetland improvements in the Development. The Developer has received all required County permits and approvals for the remaining development work associated with the Phase 4 Project. The District's Consulting Engineer will certify at the closing of the Series 2015 Bonds that there are no known issues which would prevent permits or approvals necessary for the installation of the infrastructure for the Development, the Phase 4 Project and the CIP from being obtained.]

Taxes, Fees and Assessments

The Series 2015 Bonds will be secured by the Series 2015 Special Assessments levied against the land designated as Phase 4 within the District (the "Series 2015 Assessment Area") consisting of approximately [26.64] gross acres and not any other land within the District. [At the respective closings with residential end users, the Developer has indicated that it intends prepay a portion of the Series 2015 Special Assessments levied on such lots.] The estimated Series 2015 Special Assessments to be levied to pay debt service on the Series 2015 Bonds and the estimated Series 2015 Bonds total par per unit are set forth below:

Product	# of Units	Annual Series 2015 Special Assessment Prior to Optional Prepayment*	Series 2015 Bonds Total Par Per Unit Prior to Optional Prepayment*	Annual Series 2015 Special Assessment After Optional Prepayment*	Series 2015 Bonds Total Par Per Unit After Optional Prepayment*
SF 52'	76				
SF 62'	31				
MF	<u>56</u>				
Total	163				

* Preliminary, subject to change. Includes estimated Collier County collection costs and the statutory early payment discount, which may fluctuate. [The Developer has indicated that it anticipates prepaying a portion of the Series 2015 Special Assessments levied on each of the 52' and 62' lots in the respective amounts of approximately \$12,000 and \$11,000, respectively, prior to conveying the same to residential end users; provided, however, the Developer is not obligated to make such prepayments.]

In addition to the above estimated Series 2015 Special Assessments, each homeowner in the Development will pay annual taxes, including local ad valorem property taxes, the maintenance and operating assessments to be levied by the District which are currently anticipated to be approximately \$250 annually, subject to increase, and the homeowner association assessments to be levied by the homeowners association, Esplanade Golf & Country Club of Naples, Inc. (the "Master HOA"). Master

HOA fees are currently range from \$170 per month for condominiums, up to \$290 per month for larger single family lots, which all include the "social" (non-golf) club membership which all homeowners will be required to pay. In addition, homeowners that buy bundled golf course membership will pay an additional \$219 per month. The Developer anticipates that 300 of the lots in the District will pay for the social club membership only and the remaining 821 lots will be for both the social club and the golf course memberships. In addition, separate homeowners associations may be established within the Development which would also have the right to charge association fees.

The total millage rate in the unincorporated area of the County is approximately 9.71 mills. These taxes would be payable in addition to the assessments levied by the District. In addition, exclusive of voter approved millages levied for general obligation bonds, as to which no limit applies, the County and the School District of Collier County, Florida may each levy ad valorem taxes upon the land in the District. The District has no control over the level of ad valorem taxes and/or special assessments levied by other taxing authorities. It is possible that in future years taxes and assessments levied by these other entities could be substantially higher than in the current year.

Amenities

[The Development will contain an amenity campus consisting of a comprehensive system of pathways leading to neighborhood parks and other amenities, including a clubhouse and other amenity center buildings totaling an estimated 12,000 square feet, which buildings are expected to contain a restaurant, bar, kitchen, library, and wellness center. The Development will have tennis courts, one or two pools and other sports facilities. The Development will contain an events lawn with stage and seating areas to accommodate approximately 800 people for entertainment and social activities.

The Development contains an 18-hole golf course with an accompanying clubhouse and pro shop. The Developer commenced development of the golf course in May 2013 and completed the course in March 2014. As of January 2015, the Developer has spent approximately \$8,970,455 on the golf course (which does not include any costs incurred in connection with the temporary pro shop or certain earthwork costs). A temporary pro shop, consisting of a triple wide trailer, and a cart storage facility was also installed in March 2014 at a total cost of approximately \$314,000. Four tennis courts were completed mid-2015. Construction has commenced on the Wellness Center, Tiki (poolside) Bar and resort pool, and the Developer anticipates completing these facilities in mid-2016. The remaining amenity facilities in late 2017.]

Education

Children residing in the Development are expected to attend Laurel Oak Elementary School, Oakridge Middle School and Gulf Coast High School, all of which are located within approximately two (2) miles of the Development. The Collier County School Board may change school boundaries from time to time and there is no requirement that students residing in the Development be permitted to attend the schools which are closest to the Development.

Environmental

The Developer's parent company, Taylor Morrison of Florida, received a letter dated October 31, 2011, from YPC Consulting Group, PL ("YPC") that Taylor Morrison may rely on the Phase I Environmental Site Assessment (the "ESA") delivered from YPC to G and M Naples, LLC in June 2011. The ESA covered all of the District Lands. The Phase I Environmental Site Assessment identified no recognized environmental conditions ("REC") on the District Lands. See "BONDOWNERS' RISK – No. 9" herein for more information regarding potential environmental risks.

Utilities

Electric utilities will be provided to the Development by FPL (Florida Power and Light). Natural gas services will be provided by TECO (Tampa Electric Company) Peoples Gas. Telephone and cable TV service will be provided to the Development by CenturyLink Corporation and/or Comcast. Potable water and wastewater service to the Development will be provided by the County.

Competition

The Development is expected to compete with projects in the County market generally. The Developer believes the three projects listed below will be the most direct competition for the Development.

The Quarry

The Quarry is a bundled golf community located adjacent to the community. Homes have been constructed in the project by Pulte Homes ranging from 1,811 Sq. Ft. to 3,999 Sq. Ft. and priced from \$350k to \$1.1m. At build-out The Quarry is expected to contain approximately 625 single family units. Sales commenced in the first quarter of 2006.

Twin Eagles

Twin Eagles Golf and Country Club is a bundled golf community located adjacent to the community. Homes have been constructed in the project by Lennar Homes, Minto Homes and Arthur Rutenberg Homes ranging from 1,649 Sq. Ft. to 4,207 Sq. Ft. and priced from \$405k to \$2.3m. At build-out Twin Eagles is expected to contain approximately 648 single family units. Sales commenced in the second quarter of 2006.

Riverstone

Riverstone is a non-golf community located adjacent to the Development. Homes have been constructed in the project by GL Homes. At build out, Riverstone is expected to contain approximately 800 single family units (consisting of several different product lines ranging from approximately 1,853 square feet to 4,742 square feet and priced from \$376k to \$693k). Sales commenced in Riverstone in January 2012.

Treviso Bay

Treviso Bay is a bundled golf community located approximately 13 miles from the Development. Homes are being constructed by Lennar, Stock and Taylor Morrison. Homes sales commenced in January 2012. Treviso Bay is expected to contain approximately 1,450 units at build out (consisting of several different product lines ranging from approximately 1,107 square feet to 2,394 square feet and priced from \$425k to \$1m).

Olde Cypress

Olde Cypress is an existing golf community located adjacent to the Development. Homes are being constructed by Stock Development. Development commenced in 1999, but Stock Development began developing the final phase in January 2013 consisting of a product line ranging from 1,809 Sq. Ft.

to 3,158 Sq. Ft. and priced from \$480k to \$630k. It is estimated that upon build out, Olde Cypress will contain approximately 540 units.

The information in this section has been obtained from third parties and public sources believed to be accurate, but cannot be certified as to its accuracy and is subject to change. This section does not purport to summarize all of the existing or planned communities in the area of the Development, but rather provide a description of those that the Developer believes pose primary competition to the Development.

THE DEVELOPER

Taylor Morrison Esplanade Naples, LLC, a Florida limited liability company (the "Developer"), is a special purpose entity that owns all of the land in the District. The Developer is a Florida limited liability company that was formed on December 22, 2011. Taylor Morrison of Florida, Inc., a Florida corporation ("Taylor Morrison of Florida"), owns a 99.999% interest in the Developer and the remaining 0.001% interest is owned by G and M Naples, a Florida limited liability company, which is an unaffiliated entity. Pursuant to a Memorandum of Agreement recorded on January 30, 2013 in the public records of the County at Book 4884 Page 1, any bulk sale or bulk disposition of District Lands by the Developer requires the unanimous consent of both members.

The ultimate parent of Taylor Morrison of Florida is Taylor Morrison Home Corp. ("Taylor Morrison"). Taylor Morrison's principal business is residential homebuilding throughout the United States, with operations focused in Arizona, California, Colorado, Florida and Texas. Taylor Morrison's common shares trade on the New York Stock Exchange under the symbol THMC. Taylor Morrison is subject to the informational requirements of the Securities and Exchange Commission Act of 1934, as amended, and in accordance therewith files reports, proxy statements, and other information with the Securities and Exchange Commission (the "SEC"). The file number for Taylor Morrison is No. 0001-562476. Such reports, proxy statements, and other information can be inspected and copied at the Public Reference Section of the SEC, Room 1024, 450 Fifth Street NW, Judiciary Plaza, Washington, DC, and at the SEC's regional offices in Chicago (Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois). Copies of such materials can be obtained by mail from the Public Reference Section of the SEC at prescribed rates. All documents subsequently filed by Taylor Morrison pursuant to the requirements of the Securities and Exchange Commission Act of 1934 after the date of this Limited Offering Memorandum will be available for inspection in the same manner as described above.

Neither Taylor Morrison nor Taylor Morrison of Florida is associated with the offering of the Series 2015 Bonds. Neither Taylor Morrison nor Taylor Morrison of Florida has any liability, is a guarantor of, nor an obligor of any nature with respect to the Phase 4 Project or its completion, the Series 2015 Bonds, or any obligation or other undertaking with respect to the Developer.

TAX MATTERS

General

The Code establishes certain requirements which must be met subsequent to the issuance of the Series 2015 Bonds in order that interest on the Series 2015 Bonds be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the Series 2015 Bonds to be included in federal gross income retroactive to the date of issuance of the Series 2015 Bonds, regardless of the date on which such non-compliance occurs or is ascertained. These requirements include, but are not limited to, provisions which prescribe yield and other limits within which the

proceeds of the Series 2015 Bonds and the other amounts are to be invested and require that certain investment earnings on the foregoing must be rebated on a periodic basis to the Treasury Department of the United States. The District has covenanted in the Indenture with respect to the Series 2015 Bonds to comply with such requirements in order to maintain the exclusion from federal gross income of the interest on the Series 2015 Bonds.

In the opinion of Bond Counsel, assuming compliance with certain covenants, under existing laws, regulations, judicial decisions and rulings, interest on the Series 2015 Bonds is excluded from gross income for purposes of federal income taxation. Interest on the Series 2015 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals or corporations; however, interest on the Series 2015 Bonds may be subject to the federal alternative minimum tax when any Bond is held by a corporation. The federal alternative minimum taxable income of a corporation must be increased by seventy-five percent (75%) of the excess of such corporation's adjusted current earnings over its alternative minimum taxable income (before this adjustment and the alternative tax net operating loss deduction). "Adjusted Current Earnings" will include interest on the Series 2015 Bonds.

Except as described above, Bond Counsel will express no opinion regarding other federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of Series 2015 Bonds. Prospective purchasers of Series 2015 Bonds should be aware that the ownership of Series 2015 Bonds may result in collateral federal income tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry Series 2015 Bonds; (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by fifteen percent (15%) of certain items, including interest on Series 2015 Bonds; (iii) the inclusion of interest on Series 2015 Bonds in earnings of certain foreign corporations doing business in the United States for purposes of the branch profits tax; (iv) the inclusion of interest on Series 2015 Bonds in passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year; and (v) the inclusion of interest on Series 2015 Bonds in "modified adjusted gross income" by recipients of certain Social Security and Railroad Retirement benefits for the purposes of determining whether such benefits are included in gross income for federal income tax purposes.

As to questions of fact material to the opinion of Bond Counsel, Bond Counsel will rely upon representations and covenants made on behalf of the District, certificates of appropriate officers and certificates of public officials (including certifications as to the use of proceeds of the Series 2015 Bonds and of the property financed or refinanced thereby), without undertaking to verify the same by independent investigation.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2015 BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDOWNERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE BONDOWNERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Information Reporting and Backup Withholding

Interest paid on tax-exempt Series 2015 Bonds such as the Series 2015 Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2015 Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Series 2015 Bonds,

under certain circumstances, to "backup withholding" at the rate specified in the Code with respect to payments on the Series 2015 Bonds and proceeds from the sale of Series 2015 Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2015 Bonds. This withholding generally applies if the owner of Series 2015 Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2015 Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Other Tax Matters Relating to the Series 2015 Bonds

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 Series 2015 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 Series 2015 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 Series 2015 Bonds and their market value. No assurance can be given that legislative proposals will not be enacted that would apply to, or have an adverse effect upon, the Series 2015 Bonds. For example, in connection with federal deficit reduction, job creation and tax law reform efforts, proposals have been and others are likely to be made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Series 2015 Bonds. There can be no assurance that any such legislation or proposal will be enacted, and if enacted, what form it may take. The introduction or enactment of any such legislative proposals may affect, perhaps significantly, the market price for, or marketability of, the Series 2015 Bonds.

Prospective purchasers of the Series 2015 Bonds should consult their own tax advisors as to the tax consequences of owning the Series 2015 Bonds in their particular state or local jurisdiction and regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

[Tax Treatment of Original Issue Discount]

[Under the Code, the difference between the maturity amount of the Series 2015 Bonds maturing on _____ 1, 20__ through and including _____ 1, 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." Original issue discount will accrue over the term of the Discount Bonds at a constant interest rate compounded periodically. A purchaser who acquires the Discount Bonds in the initial offering at a price equal to the initial offering price thereof to the public will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period he or she holds the Discount Bonds, and will increase his or her adjusted basis in the Discount Bonds by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or disposition of the Discount Bonds. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of the Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Bondowners of the Discount Bonds should consult their own tax advisors with respect to the

precise determination for federal income tax purposes of interest accrued upon sale, redemption or other disposition of the Discount Bonds and with respect to the state and local tax consequences of owning and disposing of the Discount Bonds.]

AGREEMENT BY THE STATE

Under the Act, the State of Florida pledges to the holders of any bonds issued thereunder, including the Series 2015 Bonds, that it will not limit or alter the rights of the District to own, acquire, construct, reconstruct, improve, maintain, operate or furnish the projects subject to the Act or to levy and collect taxes, assessments, rentals, rates, fees, and other charges provided for in the Act and to fulfill the terms of any agreement made with the holders of such bonds and that it will not in any way impair the rights or remedies of such holders.

LEGALITY FOR INVESTMENT

The Act provides that the Series 2015 Bonds are legal investments for savings banks, banks, trust companies, insurance companies, executors, administrators, trustees, guardians, and other fiduciaries, and for any board, body, agency, instrumentality, county, municipality or other political subdivision of the State of Florida, and constitute securities which may be deposited by banks or trust companies as security for deposits of state, county, municipal or other public funds, or by insurance companies as required or voluntary statutory deposits.

SUITABILITY FOR INVESTMENT

In accordance with applicable provisions of Florida law, the Series 2015 Bonds may initially be sold by the District only to "accredited investors" within the meaning of Chapter 517, Florida Statutes and the rules promulgated thereunder. The limitation of the initial offering to Accredited Investors does not denote restrictions on transfer in any secondary market for the Series 2015 Bonds. Investment in the Series 2015 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 Series 2015 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 Series 2015 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2015 Bonds will be qualified as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery.

LITIGATION

The District

There is no litigation of any nature now pending or, to the knowledge of the District threatened, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Series 2015 Bonds, or in any way contesting or affecting (i) the validity of the Series 2015 Bonds or any proceedings of the District taken with respect to the issuance or sale thereof, (ii) the pledge or application of any moneys or security

provided for the payment of the Series 2015 Bonds, (iii) the existence or powers of the District or (iv) the validity of the Assessment Proceedings.

The Developer

The Developer has represented that there is no litigation of any nature now pending or, to the knowledge of the Developer, threatened, which could reasonably be expected to have a material and adverse effect upon the ability of the Developer to complete the Development, the Phase 4 Project or the CIP as described herein, materially and adversely affect the ability of the Developer to pay the Series 2015 Special Assessments imposed against the land within the District owned by the Developer or materially and adversely affect the ability of the Developer to perform its various obligations described in this Limited Offering Memorandum.

CONTINGENT FEES

The District has retained Bond Counsel, District Counsel, the Consulting Engineer, the Methodology Consultant, the Underwriter (who has retained Underwriter's Counsel) and the Trustee (who has retained Trustee's Counsel), with respect to the authorization, sale, execution and delivery of the Series 2015 Bonds. Except for the payment of fees to District Counsel, the Consulting Engineer and the Methodology Consultant, the payment of fees of the other professionals is each contingent upon the issuance of the Series 2015 Bonds.

NO RATING

No application for a rating for the Series 2015 Bonds has been made to any rating agency, nor is there any reason to believe that an investment grade rating for the Series 2015 Bonds would have been obtained if application had been made.

EXPERTS

The Engineer's Report included in Appendix C to this Limited Offering Memorandum has been prepared by Waldrop Engineering, P.A., Bonita Springs, Florida, the Consulting Engineer. Appendix C should be read in its entirety for complete information with respect to the subjects discussed therein. JPWard and Associates, LLC, Wilton Manors, Florida, as Methodology Consultant, has prepared the Assessment Methodology set forth as Appendix D hereto. Appendix D should be read in its entirety for complete information with respect to the subjects discussed therein. As a condition to closing on the Series 2015 Bonds, both the Consulting Engineer and the Methodology Consultant will consent to the inclusion of their reports in this Limited Offering Memorandum.

FINANCIAL INFORMATION

This District has covenanted in the form of Continuing Disclosure Agreement set forth in Appendix E hereto to provide its annual audited financial statements to the Municipal Securities Rulemaking Board ("MSRB") through the MSRB's Electronic Municipal Market Access system ("EMMA"), commencing with the audit for the District fiscal year ended September 30, 2015, which the District expects to be available on or before April 30, 2016. Attached hereto as Appendix F is a copy of the District's most recent audited financial statements for the fiscal year ended September 30, 2014 and the District's most recent unaudited financial statements for the period ending _____, 2015. Such financial statements, including the auditors' report for the audited financial statements, have been included in this Limited Offering Memorandum as public documents and consent from the auditors was not

requested. The Series 2015 Bonds are not general obligation bonds of the District and are payable solely from the Pledged Revenues.

Beginning October 1, 2015, community development 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. [The District currently has a website in place and is in compliance with such statute.]

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

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

The District is not and has not been in default on any bonds or other debt obligations since December 31, 1975.

CONTINUING DISCLOSURE

The District and the Developer will enter into the Continuing Disclosure Agreement (the "Disclosure Agreement") in the form of Appendix E, for the benefit of the Series 2015 Bondholders (including owners of beneficial interests in such Series 2015 Bonds), respectively, to provide certain financial information and operating data relating to the District and the Development by certain dates prescribed in the Disclosure Agreement (the "Reports") with the MSRB through the MSRB's EMMA system. The specific nature of the information to be contained in the Reports is set forth in "APPENDIX E: PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT." Under certain circumstances, the failure of the District or the Developer to comply with their respective 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 Series 2015 Bondholders (including owners of beneficial interests in such Series 2015 Bonds), as applicable, to bring an action for specific performance.

The District and Developer previously entered into continuing disclosure obligations in connection with the District's Series 2013 Bonds and its Series 2015 Phase 3 Bonds. The District and the Developer have provided continuing disclosure information pursuant to Rule 15c2-12 of the Securities and Exchange Commission; provided, however, a review of filings made pursuant to such prior agreement for the Series 2013 Bonds indicates that certain filings were either not filed or not timely filed and that notices of such missed and late filings were not provided. The District and Developer fully anticipate satisfying all future disclosure obligations required pursuant to the Disclosure Agreement and, at the request of the Underwriter of the Series 2015 Bonds, the District adopted continuing disclosure policies and procedures on February 10, 2015. Prior to the closing on the Series 2015 Bonds, the Developer will certify that it has existing procedures in place to timely comply with its continuing disclosure obligations. The District Manager will serve as Dissemination Agent for the Series 2015 Bonds. [To be updated after review of EMMA filings since last offering.]

UNDERWRITING

FMSbonds, Inc. (the "Underwriter"), has agreed, pursuant to a contract with the District, subject to certain conditions, to purchase the Series 2015 Bonds from the District at a purchase price of \$_____ (par amount of the Series 2015 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 Series 2015 Bonds if they are purchased.

The Underwriter intends to offer the Series 2015 Bonds to accredited investors at the offering price set forth on the cover page of this Limited Offering Memorandum, which may subsequently change without prior notice. The Series 2015 Bonds may be offered and sold to certain dealers, banks and others at prices lower than the initial offering prices, and such initial offering prices may be changed from time to time by the Underwriter.

VALIDATION

The Series 2015 Bonds are one of a series of bonds that were validated by a Final Judgment of the Circuit Court in and for Collier County on October 29, 2013. The period for appeal of the judgment of validation of such capital improvement revenue bonds, which includes the Series 2015 Bonds, expired with no appeal having been filed.

LEGAL MATTERS

Certain legal matters related to the authorization, sale and delivery of the Series 2015 Bonds are subject to the approval of Bryant Miller Olive P.A., Orlando, Florida, Bond Counsel. Certain legal matters will be passed upon for the District by its counsel Coleman, Yovanovich & Koester, P.A., Naples, Florida, for the Developer by its counsel, J. Wayne Crosby, P.A., Winter Park, Florida, and for the Underwriter by its counsel, GrayRobinson, P.A., Tampa, Florida. GrayRobinson, P.A. has previously provided, and may continue to provide, legal services to the Developer in connection with the Development. Coleman, Yovanovich & Koester, P.A., Naples, Florida, has previously provided, and may continue to provide, legal services to Stock Development and its affiliates in connection with the Development.

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.

MISCELLANEOUS

Any statements made in this Limited Offering Memorandum involving matters of opinion or estimates, whether or not expressly so stated, are set forth as such and not as representations of fact, and no representations are made that any of the estimates will be realized.

The references herein to the Series 2015 Bonds and other documents referred to herein are brief summaries of certain provisions thereof. Such summaries do not purport to be complete and reference is

made to such documents for full and complete statements of such provisions.

This Limited Offering Memorandum is submitted in connection with the sale of the Series 2015 Bonds and may not be reproduced or used, as a whole or in part, for any purpose. This Limited Offering Memorandum is not to be construed as a contract with the purchaser or the Beneficial Owners of any of the Series 2015 Bonds.

AUTHORIZATION AND APPROVAL

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

**FLOW WAY COMMUNITY
DEVELOPMENT DISTRICT**

By: _____
Chairperson, Board of Supervisors

APPENDIX A

**COPY OF MASTER TRUST INDENTURE AND PROPOSED FORM OF THIRD
SUPPLEMENTAL TRUST INDENTURE**

APPENDIX B

PROPOSED FORM OF OPINION OF BOND COUNSEL

APPENDIX C
ENGINEER'S REPORT

APPENDIX D
ASSESSMENT METHODOLOGY

APPENDIX E

PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT

APPENDIX F
DISTRICT'S FINANCIAL STATEMENTS

EXHIBIT D

FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (this "Disclosure Agreement"), dated as of December ____, 2015, is executed and delivered by the **FLOW WAY COMMUNITY DEVELOPMENT DISTRICT** (the "District" or the "Issuer"), **TAYLOR MORRISON ESPLANADE NAPLES, LLC**, a Florida limited liability company (the "Developer"), and **JWARD AND ASSOCIATES, LLC**, a Florida limited liability company (the "Dissemination Agent") in connection with the issuance of \$_____ original aggregate principal amount of Flow Way Community Development District (Collier County, Florida) Special Assessment Bonds, Series 2015 (Phase 4 Project) (the "Bonds"). The Bonds are being issued pursuant to the Master Trust Indenture dated as of December 1, 2013 (the "Master Indenture"), as supplemented and amended by the Third Supplemental Trust Indenture dated as of December 1, 2015 (the "Third Supplement" and together with the Master Indenture, the "Indenture"), 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 successor trustee (the "Trustee"). For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in consideration of the mutual promises and other considerations contained herein, the District, the Developer, 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, the Dissemination Agent and the Developer 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 or other Obligated Person to provide additional information, the District and each Obligated Person agree to promptly provide such additional information.

The provisions of this Disclosure Agreement are supplemental and in addition to the provisions of the 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, rule or regulation.

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 Series 2015 Special Assessments.

"Audited Financial Statements" means the financial statements 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 day on which banks located in the city in which the designated corporate trust office of the Trustee is located are required or authorized by law or executive order to close for business and (b) a day on which the New York Stock Exchange is closed.

"Disclosure Representative" shall mean (i) as to the Issuer, the District Manager or its designee, or such other person as the Issuer shall designate in writing to the Dissemination Agent from time to time as the person responsible for providing information to the Dissemination Agent; and (ii) as to each entity comprising an Obligated Person (other than the Issuer), the individuals executing this Disclosure Agreement on behalf of such entity or such person(s) as such entity shall designate in writing to the Dissemination Agent from time to time as the person(s) responsible for providing information to the Dissemination Agent.

"Dissemination Agent" means the Issuer or any 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. JPWard and Associates, LLC 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" means that Limited Offering Memorandum dated November ____, 2015 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.

"Obligated Person(s)" shall mean, with respect to the Bonds, those person(s) who either generally or through an enterprise, fund, or account of such persons are committed by contract or other arrangement to support payment of all or a part of the obligations on such Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), which person(s) shall include the Issuer, and for the purposes of this Disclosure Agreement, the Developer and its affiliates, successors or assigns (excluding homebuyers who are end users), for so long as the Developer or its affiliates, successors or assigns (excluding homebuyers who are end users) are the owner of District lands responsible for payment of at least 20% of the Series 2015 Special Assessments.

"Participating Underwriter" shall mean FMSbonds, Inc.

"Quarterly Filing Date" shall mean for the quarter ending: (i) March 31, each May 1; (ii) June 30, each August 1; (iii) September 30, each November 1; and (iv) December 31, each February 1 of the following year. The first Quarterly Filing Date shall be May 1, 2016.

"Quarterly Report" shall mean any Quarterly Report provided by any Obligated Person (other than the Issuer) pursuant to, and as described in, Section 5 of this Disclosure Agreement.

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

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

"SEC" means the Securities and Exchange Commission.

"Series 2015 Special Assessments" shall mean the non-ad valorem Series 2015 Special Assessments pledged to the payment of the Bonds pursuant to the Indenture which Series 2015 Special Assessments are levied on that portion of the District Lands specifically benefited by the Phase 4 Project or any portion thereof.

"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 eighty (180) days after the close of the Issuer's Fiscal Year (the "Annual Filing Date"), commencing with the Annual Report for the Fiscal Year ended September 30, 2015. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other

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

(b) If on the fifteenth (15th) day prior to each Annual Filing Date or the Audited Financial Statements Filing Date, as applicable, the Dissemination Agent has not received a copy of the Annual Report or Audited Financial Statements, as applicable, the Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be via email) to remind the Issuer of its undertaking to provide the Annual Report or Audited Financial Statements, as applicable, pursuant to Section 3(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Report or the Audited Financial Statements, as applicable, in accordance with Section 3(a) above, or (ii) advise the Dissemination Agent in writing that the Issuer will not be able to file the Annual Report or Audited Financial Statements, as applicable, within the times required under this Disclosure Agreement, state the date by which the Annual Report or the Audited Financial Statements for such year, as applicable, will be provided and instruct the Dissemination Agent that a Listed Event as described in Section 6(a)(xv) has occurred and to immediately send a notice to the Repository in substantially the form attached hereto as Exhibit A.

(c) If the Dissemination Agent has not received an Annual Report by 12:00 noon on the first (1st) Business Day following the Annual Filing Date for the Annual Report or the Audited Financial Statements by 12:00 noon on the first (1st) Business Day following the Audited Financial Statements Filing Date for the Audited Financial Statements, then a Listed Event as described in Section 6(a)(xv) shall have occurred and the Issuer 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 Issuer stating that the Annual Report or Audited Financial Statement 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 Series 2015 Special Assessments levied for the most recent prior Fiscal Year.

(ii) The amount of Series 2015 Special Assessments collected during the most recent Fiscal Year.

(iii) If available, the amount of delinquencies greater than one hundred fifty (150) days, and, in the event that delinquencies amount to more than ten percent (10%) of the amounts of Series 2015 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.

(vi) The total amount of Outstanding Bonds.

(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.

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

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

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

Section 5. Quarterly Reports.

(a) Each Obligated person (other than the Issuer) shall provide an electronic copy of the Quarterly Report to the Dissemination Agent no later than fifteen (15) days prior to the Quarterly Filing Date. Promptly upon receipt of an electronic copy of the Quarterly Report, but in any event within ten (10) days after receipt thereof, the Dissemination Agent shall provide a Quarterly Report to the Repository.

(b) Each Quarterly Report shall contain an update of the following information for each Obligated Person to the extent available. All information shall be provided by planned product type; i.e. single family, multi-family and lot size by square foot.

(i) The number and type of lots in the Assessment Area subject to the Series 2015 Special Assessments;

(ii) The number and type of lots planned for the Assessment Area;

(iii) The number and type of lots owned in the Assessment Area by the Obligated Person;

(iv) The number of lots platted that are subject to the Series 2015 Special Assessments;

(v) The number of homes under construction and the number of homes constructed subject to the Series 2015 Special Assessments;

(vi) The number of homes under contract with homebuyers subject to the Series 2015 Special Assessments;

(vii) The number of homes closed with homebuyers subject to the Series 2015 Special Assessments;

(viii) Any change to the number of lots planned to be developed on property which is encumbered by the Series 2015 Special Assessments;

(ix) The number of lots, if any, subject to the Series 2015 Special Assessments, that are under contract with a home builder and closed with a home builder and the name of the home builder;

(x) Materially adverse changes or determinations to permits/approvals for the development of the Assessment Area which necessitate changes to the land use plans of any Obligated Person;

(xi) The occurrence of any new or modified mortgage debt on the land owned by the Obligated Person in the Assessment Area, including the amount, interest rate and terms of repayment.

(c) If an Obligated Person sells, assigns or otherwise transfers ownership of real property in the Assessment Area (a "Transferor Obligated Person") to a third party, which will in turn be an Obligated Person for purposes of this Disclosure Agreement as a result thereof (a "Transfer"), the Transferor Obligated Person hereby agrees to contractually obligate such third party to agree to comply with the disclosure obligations of an Obligated Person hereunder for so long as such third party is an Obligated Person hereunder, to the same extent as if such third party were a party to this Disclosure Agreement. The Transferor Obligated Person shall notify the District and the Dissemination Agent in writing of any Transfer within two (2) Business Days of the occurrence thereof. In the event that the Transferor Obligated Person remains an Obligated Person hereunder following any Transfer, nothing herein shall be construed to relieve the Transferor Obligated Person from its obligations hereunder.

(d) If the Dissemination Agent has not received a Quarterly Report that contains, at a minimum, the information in Section 5(b) of this Disclosure Agreement by 12:00 noon on the first (1st) Business Day following each Quarterly Filing Date, a Listed Event described in Section 6(a)(xv) shall have occurred and the District and each Obligated Person hereby direct the Dissemination Agent to send a notice to the Repository in substantially the form attached as Exhibit A, with a copy to the District. The Dissemination Agent shall file such notice no later than thirty (30) days following the applicable Quarterly Filing Date.

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

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

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

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

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

(c) Each Obligated Person shall notify the Issuer of the occurrence of a Listed Event described in subsections (a)(x), (xii), (xiii) or (xv) above as to such Obligated Person within five (5) Business Days after the occurrence of the Listed Event so as to enable the Issuer to comply with its obligations under this Section 6.

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

(e) Notwithstanding anything herein to the contrary, the District agrees to file, within ten (10) days of receipt, a copy of the written certificate from the Methodology Consultant as to the satisfaction of the definition of "Substantially Absorbed" (as defined in the Indenture).

(f) The Developer represents and warrants that, except as disclosed in the Preliminary Limited Offering Memorandum, it has not failed to timely comply, in all material respects, with its continuing disclosure obligations as required in a continuing disclosure agreement entered into in connection with a prior offering of securities in order to enable the underwriter of said securities to comply with the provisions of the Rule.

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

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.

Notwithstanding the above provisions of this Section 9, no amendment to the provisions of Section 5(b) hereof may be made without the consent of each Obligated Person.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the District shall describe such amendment 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, any Obligated Person, 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%) of the 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, any Obligated Person, the Disclosure Representative or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement by any Obligated Person shall not be deemed a default by the District hereunder and 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, any Obligated Person, 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, the Developer and such Dissemination Agent. The Dissemination Agent shall have no obligation to notify any other party hereto of an event that may constitute a Listed Event. The District, each Obligated Person and the Disclosure Representative covenant that they will supply, in a timely fashion, any information reasonably requested by the Dissemination Agent that is necessary in order for the Dissemination Agent to carry out its duties under this Disclosure Agreement. The District, the Developer and the Disclosure Representative acknowledge and agree that the information to be collected and disseminated by the Dissemination Agent will be provided by the District, Obligated Person(s), the Disclosure Representative and others. The Dissemination Agent's duties do not include authorship or production of any materials, and the Dissemination Agent shall have no responsibility hereunder for the content of the information provided to it by the District, any Obligated Person or the Disclosure Representative as thereafter disseminated by the Dissemination Agent. Any filings under this Disclosure Agreement made to the MSRB through EMMA shall be in an EMMA Compliant Format.

Section 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the District, the Developer, the Dissemination Agent, the Trustee, the Participating Underwriter and the Owners of the Bonds (the Trustee, the Participating Underwriter and the 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 signature, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 15. Tax Roll and Budget. Upon the request of the Dissemination Agent, the Trustee or any Bondholder, the District, through its District Manager, if applicable, agrees to provide such party

with a certified copy of its most recent tax roll provided to the Collier County Tax Collector and its 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 Collier 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. Notwithstanding the foregoing, as to the Developer or any assignee or successor thereto that becomes an Obligated Person pursuant to the terms of this Disclosure Agreement, only successor or assignees to such parties who are, by definition, Obligated Persons, shall be bound or benefited by this Disclosure Agreement.

[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.

FLOW WAY COMMUNITY DEVELOPMENT DISTRICT

ATTEST:

Assistant Secretary

By: _____
Chairperson, Board of Supervisors

TAYLOR MORRISON ESPLANADE NAPLES, LLC, a Florida limited liability company, as Developer

By: Taylor Morrison of Florida, Inc., its manager and majority member

By: _____
Name: _____
Title: _____

JPWARD AND ASSOCIATES, LLC, a Florida limited liability company, as Dissemination Agent

By: _____
Name: _____
Title: _____

Consent to and agreed to by District Manager:

JPWARD AND ASSOCIATES, LLC, a Florida limited liability company,

By: _____
Name: _____
Title: _____

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

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: _____
Name: _____
Title: _____

EXHIBIT A

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

Name of Issuer: Flow Way Community Development District

Name of Bond Issue: \$_____ original aggregate principal amount of Flow Way Community Development District (Collier County, Florida) Special Assessment Bonds, Series 2015 (Phase 4 Project) (the "Bonds")

Obligated Person(s): Flow Way Community Development District;
[_____]

Date of Issuance: December ____, 2015

CUSIP Numbers: _____; _____

NOTICE IS HEREBY GIVEN that the [Issuer][Obligated Person] has not provided an [Annual Report] [Audited Financial Statements][Quarterly Report] with respect to the above-named Bonds as required by [Section 3][Section 5] of the Continuing Disclosure Agreement dated December ____, 2015 by and between the Issuer, Taylor Morrison Esplanade Naples, LLC, and the Dissemination Agent named therein. The [Issuer][Obligated Person] has advised the undersigned that it anticipates that the [Annual Report] [Audited Financial Statements] [Quarterly Report] will be filed by _____, 20__.

Dated: _____

_____, as Dissemination Agent

By: _____

Name: _____

Title: _____

cc: Issuer
Obligated Person
Trustee

EXHIBIT E

FORM OF TRUE UP AGREEMENT

This instrument prepared by and
after recording return to:
Gregory L. Urbancic, Esq.
Coleman, Yovanovich & Koester, P.A.
4001 Tamiami Tr. N., Suite 300
Naples, FL 34103

(space above this line for recording data)

TRUE-UP AGREEMENT

THIS TRUE-UP AGREEMENT (this “**Agreement**”) is made and entered into as of this 3rd day of December, 2015, by and between **FLOW WAY COMMUNITY DEVELOPMENT DISTRICT**, a local unit of special-purpose government established pursuant to Chapter 190, Florida Statutes, whose address is c/o JPWard & Associates, LLC, 2041 NE 6 Terrace, Wilton Manors, Florida 33305 (the “**District**”), and **TAYLOR MORRISON ESPLANADE NAPLES, LLC**, a Florida limited liability company and landowner in the District, whose address is 551 N. Cattlemen Rd., Suite 200, Sarasota, FL 34232 (the “**Developer**”).

RECITALS

WHEREAS, the District was established by ordinance of the Board of County Commissioners of Collier County for the purpose of planning, financing, constructing, acquiring, operating and/or maintaining certain infrastructure, including, but not limited to, roadways, water and sewer utilities, stormwater management, entranceway improvements, landscaping, and other infrastructure authorized by Chapter 190, Florida Statutes; and

WHEREAS, the Developer is the owner of certain lands in Collier County, Florida, located within the boundaries of the District and legally described on **Exhibit “A”** attached hereto and made a part hereof (the “**Land**”); and

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

WHEREAS, a Final Judgment was issued on October 29, 2013 validating the authority of the District to issue up to \$45,000,000 in aggregate principal amount of Flow Way Community Development District Special Assessment Bonds to finance certain public improvements and facilities within the District; and

WHEREAS, the District is issuing \$_____,000.00 of Flow Way Special Assessment Bonds, Series 2015 (Phase 4 Project) (the “**Series 2015 (Phase 4 Project) Bonds**”) to finance a portion of the design, construction and/or acquisition of a portion of the District’s capital improvement plan (the “**CIP**”) for the Land which comprises certain public infrastructure improvements for Phase 4 (the “**Phase 4 Project**”); and

WHEREAS, the public infrastructure improvements and facilities to be financed by the Series 2015 (Phase 4 Project) Bonds are more specifically described and identified as the Phase 4 improvements in that certain Flow Way Community Development District Master Engineer’s Report prepared by Waldrop Engineering, Inc. and dated August, 2013, as supplemented by that certain Flow Way

Community Development District Phase 4 Engineer's Report for the 2015 Project prepared by Waldrop Engineering, Inc. and dated October 2015, which documents are incorporated herein by reference (collectively the "**Engineer's Report**"); and

WHEREAS, the District has taken certain steps necessary to impose special assessments upon the Land pursuant to Chapters 170, 190 and 197, Florida Statutes, as security for the Series 2015 (Phase 4 Project) Bonds; and

WHEREAS, the District's special assessments securing the Series 2015 (Phase 4 Project) Bonds (the "**Phase 2015 (Phase 4) Project Assessments**") were imposed on the benefitted Lands as more specifically described in Resolution No. 2016-1 adopted October 27, 2015, Resolution No. 2016-2 adopted October 27, 2015, and Resolution No. 2016-____ adopted December 1, 2015; together with any supplemental proceedings undertaken by the District with respect to the Series 2015 Assessments (collectively, the "**Assessment Resolutions**"). The Assessment Resolutions are incorporated herein by reference; and

WHEREAS, as of the date of this Agreement, Developer is currently the owner of the Land, which benefits or will benefit from the CIP, including the Phase 4 Project to be financed by the Series 2015 (Phase 4 Project) Bonds; and

WHEREAS, Developer agrees that the Land benefits from the design, construction or acquisition of the CIP, including the Phase 4 Project; and

WHEREAS, Developer agrees that the Phase 2015 (Phase 4) Project Assessments which were imposed on the Land have been validly imposed and constitute valid, legal and binding liens upon the Land; and

WHEREAS, Developer waives any rights it may have under Section 170.09, Florida Statutes, to prepay the Phase 2015 (Phase 4) Project Assessments within 30 days after completion of the Phase 4 Project; and

WHEREAS, Developer waives any defect in notice or publication or in the proceedings to levy, impose and collect the Phase 2015 (Phase 4) Project Assessments on the Land; and

WHEREAS, Developer may convey property within the Land based on then-existing market conditions, and the actual densities developed may be more or less than the densities assumed in the Assessment Report (hereinafter defined); and

WHEREAS, that certain Special Assessment Methodology for Flow Way Community Development District, Series 2014- Phase 4 Capital Improvement Program prepared by JPWard & Associates, LLC and dated _____, 2015 for Phase 4 (the "**Assessment Report**") provides the manner in which the Phase 2015 (Phase 4) Project Assessments are allocated. Within that process, as the Land is platted (i.e. subdivision plat, site plan, or lands submitted to condominium) and provided individual parcel identification numbers by the Collier County Property Appraiser, the allocation of the amounts assessed to and constituting a lien upon the Land would be calculated based upon certain density assumptions relating to the number of each type of residential unit to be constructed within the Land, which assumptions were provided by the Developer; and

WHEREAS, the Developer intends to plat and develop Phase 4 of the Land based on then existing market conditions, and the actual densities developed for Phase 4 may be at some density less than the densities assumed in the Assessment Report (a "**Density Reduction**"); and

WHEREAS, in the event of a Density Reduction, the Assessment Report anticipates a mechanism by which the owners of the Land subject to the Phase 2015 (Phase 4) Project Assessments shall make certain payments to the District in order that the amount of Phase 2015 (Phase 4) Project Assessments on the unplatted portion of the Land will not exceed the amount as described in the Assessment Report (each such payment shall be referred to as a “**True-Up Payment**”); and

WHEREAS, the Developer and the District desire to enter into an agreement to confirm the Developer’s intentions and obligations to make any and all True-Up Payments relating to the Phase 2015 (Phase 4) Project Assessments on the Land when due.

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

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

2. **Validity of Assessments.** Developer agrees that Assessment Resolutions have been duly adopted by the District. Developer further agrees that the Phase 2015 (Phase 4) Project Assessments imposed as a lien on the Land by the District are, or will be, legal, valid and binding first liens, co-equal with ad-valorem taxes or other similar assessments by government entities having the right to assess first liens. Developer hereby waives and relinquishes any rights it may have to challenge, object to or otherwise fail to pay such Phase 2015 (Phase 4) Project Assessments.

3. **Developer's Acknowledgment of Lien and Waiver of Prepayment.** Developer acknowledges its obligations as an owner of land subject to the Phase 2015 (Phase 4) Project Assessments levied and imposed by the District on the benefitted Land, whether the Phase 2015 (Phase 4) Project Assessments are collected by the Collier County Tax Collector pursuant to Section 197.3632, Florida Statutes, by the District, or by any other method allowable by law. Developer further waives any rights it may have under Section 170.09, Florida Statutes, to prepay the Phase 2015 (Phase 4) Project Assessments without interest within thirty (30) days of completion of the Phase 4 Project.

4. **Special Assessment Reallocation.**

A. **Assumptions.** As of the date of the execution of this Agreement, the Developer has informed the District for purposes of developing the Assessment Report that the Developer plans to construct, or provide for the construction, of the following type and number of units as and where designated within Phase 4 of the Land as more completely specified in the Assessment Report (“**Development Units**”):

<u>Units Type</u>	<u>Development Units</u>
52’ SF Lot	76
57’ SF Lot	0
62’ SF Lot	31
76’ SF Lot	0
90’ SF Lot	0
100’ SF Lot	0
Multi-family (Esplanade)	0
Multi-family (Vercelli)	56
Total:	163

B. Process for Reallocation of Assessments. In connection with the development of the Land, the Developer has and/or will subdivide the land in accordance with the procedures of Collier County and Florida law. For purposes hereof, the subdivision process may include: (i) platting; (ii) subdivision via site plan; and/or (iii) recording of a Declaration of Condominium to designate condominium parcels (any of the foregoing subdivision methods will be generally referred to herein as a “**Plat**”). In connection with a finalized Plat, the Collier County Property Appraiser will assign parcel identification numbers for the individual subdivided portion(s) of the Land. The District shall allocate the Phase 2015 (Phase 4) Project Assessments in accordance with the Assessment Report and cause such allocation to be recorded in the District’s Improvement Lien Book. In furtherance of the District tracking the obligations pursuant to this Agreement and otherwise maintaining the District’s Improvement Lien Book, the Developer covenants and agrees to provide to the District, prior to recordation, a courtesy copy of any and all Plats for all or any portion of the Land. Additionally, the parties agree the following provisions shall apply with respect to the reallocation of the Phase 2015 (Phase 4) Project Assessments:

(i) The Developer anticipates developing the number of Development Units as set forth in the Assessment Report. If, at any time, in the reasonable determination of the District, there is a Density Reduction as determined by Section 6.0 “Overview of the Inventory Adjustment Determination” of the Assessment Report whereby the Density Reduction will fail to allow the District to collect sufficient assessment installments to meet its debt service obligations with respect to the Series 2015 (Phase 4 Project) Bonds in accordance with the Assessment Report, then a payment equal to True-Up Payment shall become due and payable after written demand from the District and shall be paid by the Developer within such reasonable time period as specified by the District. The True-Up Payment shall be in addition to, and not in lieu of, any other regular assessment installment(s) levied on the Land. The District will provide as much prior written notice to Developer as is reasonably practicable and will ensure collection of such amounts in a timely manner in order to meet its debt service obligations with respect to the Series 2015 (Phase 4 Project) Bonds, and in all cases, Developer agrees that such payments shall be made in order to ensure the District’s timely payment of the debt service obligations on the Series 2015 (Phase 4 Project) Bonds. Developer covenants to comply or, as contemplated by this Agreement, cause others to comply, with the requirements of this Section.

(ii) The foregoing provisions are based on the District’s understanding from information provided by the Developer that the Developer will develop, or cause others to develop, the Development Units on the Land as identified in the Assessment Report and is intended to provide a formula to ensure the appropriate allocation of the Phase 2015 (Phase 4) Project Assessments is maintained if less than the anticipated Development Units are developed. However, the District agrees that nothing herein prohibits more or less than the number of Development Units identified in the Assessment Report from being developed on the Land. Further, no third-party shall be entitled to rely on this Agreement as a commitment or undertaking by the Developer that a minimum number of Development Units will be constructed. In no event shall the District collect Phase 2015 (Phase 4) Project Assessments pursuant to the Assessment Resolutions in excess of the total debt service related to the Series 2015 (Phase 4 Project) Bonds, including all costs of financing and interest. If the strict application of the true-up methodology to any assessment reallocation for any Plat or replatting of the Property, pursuant to this Section would result in assessments collected in excess of the District’s total debt service obligation for the Series 2015 (Phase 4 Project) Bonds, the District agrees to take appropriate action by resolution to equitably reallocate the Phase 2015 (Phase 4) Project Assessments. Further, upon the Developer’s final Plat for the Land, any unallocated Phase 2015 (Phase 4) Project Assessments shall become due and payable and must be paid to the District immediately upon demand by the District.

5. Enforcement. This Agreement is intended to be an additional method of the District’s enforcement of the Phase 2015 (Phase 4) Project Assessments as contemplated by the Assessment Report,

including the application of True-Up Payments, if required, as set forth in the Assessment Resolutions. This Agreement does not alter or affect the liens created by the attached Assessment Resolutions. A default by either party under this Agreement shall entitle the other party to all remedies available at law or in equity, which shall include, but not be limited to, the right of damages, injunctive relief and specific performance; provided, however, in no event shall either party be entitled to any consequential, punitive, exemplary or special damage awards.

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

7. Notice. All notices, requests, consents and other communications hereunder ("**Notices**") shall be in writing and shall be hand delivered, sent by regular U.S. Mail, or delivered via overnight delivery service to the parties, as follows:

- A. **If to District:** Flow Way
Community Development District
c/o JPWard & Associates, LLC
2041 NE 6 Terrace
Wilton Manors, Florida 33305
Attn: District Manager

With a copy to: Coleman, Yovanovich & Koester, P.A.
4001 Tamiami Trail N., Suite 300
Naples, Florida 34103
Attn: Gregory L. Urbancic, Esq.

- B. **If to Developer:** Taylor Morrison Esplanade Naples, LLC
551 N Cattlemen Rd Suite 200
Sarasota, FL 34232
Attn: Managing Member

With a copy to: Todd Merrill, Esq.
Associate General Counsel
Taylor Morrison
1211 N. Westshore Blvd. Ste. 512.
Tampa, Florida 33607

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

to enforce the collection of assessments placed on property by the District, then the provision of such notice shall be in lieu of any additional notice required by this Agreement.

8. Assignment.

A. The Developer may not assign its duties or obligations under this Agreement except in accordance with the terms of paragraph (C) below. This Agreement shall constitute a covenant running with title to the Land, binding upon the Developer and its successors and assigns, and any transferee of any portion of the Land as set forth in paragraph (C) below, but shall not be binding upon transferees permitted by Sections 8(B)(i)-(iv) below.

B. The Developer shall not transfer any portion of the Land to any third party without complying with the terms of paragraph (C) below, other than:

(i) Platted and fully-developed lots to non-affiliated homebuilders restricted from replatting.

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

(iii) Portions of the Land exempt from assessments to the County, the District, or other governmental agencies.

(iv) Portions of Land designated as common areas to a homeowners' or property owners' association.

Any transfer of any portion of the Land pursuant to subsections (i)-(iv) of this Section 8(B) shall constitute an automatic release of such portion of the Land from the scope and effect of this Agreement.

C. The Developer shall not transfer any portion of the Land to any third party, except as permitted by Sections 8(B)(i)-(iv) above, without satisfying the following conditions ("Transfer Conditions"): (i) causing such third party to assume in writing the Developer's obligations under this Agreement with respect to such portion of the Land intended to be conveyed; (ii) delivering such written assignment and assumption instrument to the District; and (iii) satisfying any True-Up Payment that results from a True-Up analysis that will be performed by the District Manager prior and as a condition to such transfer. Any transfer that is consummated pursuant to this paragraph (C) shall operate as a release of the Developer from its obligations under this Agreement as to such portion of the Land only arising from and after the date of such transfer and satisfaction of all of the Transfer Conditions including payment of any True-Up Payment due pursuant to subsection (iii) above, and the transferee assuming the Developer's obligations in accordance herewith shall be deemed the "Developer" from and after such transfer for all purposes as to such portion of the Land so transferred.

9. Amendment. This Agreement shall constitute the entire agreement between the parties and may be modified in writing only by the mutual agreement of all parties and the prior written consent of the Trustee for the Series 2015 (Phase 4 Project) Bonds and the holders of the Series 2015 (Phase 4 Project) Bonds owning a majority of the aggregate principal amount of all Series 2015 (Phase 4 Project) Bonds outstanding.

10. Termination. This Agreement shall continue in effect until it is rescinded in writing by the mutual assent of each party and the Trustee for the Series 2015 (Phase 4 Project) Bonds and the holders of the Series 2015 (Phase 4 Project) Bonds owning a majority of the aggregate principal amount

of all Series 2015 (Phase 4 Project) Bonds outstanding. This Agreement shall automatically terminate upon payment in full of the Series 2015 (Phase 4 Project) Bonds, or upon final allocation of all Phase 2015 (Phase 4) Project Assessments to all Land subject to the Phase 2015 (Phase 4) Project Assessments, and all True-Up Payments with respect to the Land, if required, have been paid.

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

12. Third Party Beneficiaries. This Agreement is solely for the benefit of the formal parties herein and no right or cause of action shall accrue upon or by reason hereof, to or for the benefit of any third party not a formal party hereto. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person or corporation other than the parties hereto any right, remedy or claim under or by reason of this Agreement or any provisions or conditions hereof; and all of the provisions, representations, covenants and conditions herein contained shall inure to the sole benefit of and shall be binding upon the parties hereto and their respective representatives, successors and assigns. Notwithstanding anything herein to the contrary, the parties hereto agree that the Trustee for the Series 2015 (Phase 4 Project) Bonds, on behalf of the holders of the Series 2015 (Phase 4 Project) Bonds, shall be a direct third party beneficiary of the terms and conditions of this Agreement and the Developer acknowledges that the District has covenanted in the Third Supplemental Trust Indenture (the "**Indenture**") of even date herewith to enforce the provisions of this Agreement according to the provisions set forth in such Indenture. Said Trustee, however, shall not be deemed to have assumed any obligation as a result of this Agreement.

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

14. Applicable Law. This Agreement shall be governed by the laws of the State of Florida.

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

16. Effective Date. This Agreement shall become effective upon execution by the parties hereto on the date reflected above.

(Remainder of Page Intentionally Left Blank. Signatures Begin on Next Page.)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

DISTRICT:

FLOW WAY COMMUNITY DEVELOPMENT DISTRICT

ATTEST:

James P. Ward, Secretary

By: _____
John Asher, Chairman

STATE OF FLORIDA)
) ss.
COUNTY OF COLLIER)

The foregoing instrument was acknowledged before me, this ____ of December, 2015, by John Asher, as Chairman of Flow Way Community Development District on behalf of the community development district, a community development district established and existing pursuant to Chapter 190, Florida Statutes, on behalf of the District, who () is personally known to me or () has produced _____ as evidence of identification.

(SEAL)

NOTARY PUBLIC
Name: _____
(Type or Print)
My Commission Expires:

(Signatures continue on following page)

DEVELOPER:

TAYLOR MORRISON ESPLANADE NAPLES, LLC, a Florida limited liability company

By: **TAYLOR MORRISON OF FLORIDA, INC.**, a Florida corporation, its Managing Member

By: _____

Name: _____

Title: _____

STATE OF FLORIDA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me, this _____ of December, 2015, by _____, as _____ of Taylor Morrison of Florida, Inc., a Florida corporation, managing member of Taylor Morrison Esplanade Naples, LLC, a Florida limited liability company, on behalf of the companies, who is () personally known to me or () has produced _____ as evidence of identification.

(SEAL)

NOTARY PUBLIC
Name: _____
(Type or Print)
My Commission Expires:

Exhibit A: Legal Description of the Land

EXHIBIT F

FORM OF ACQUISITION AGREEMENT

**AGREEMENT REGARDING THE
ACQUISITION OF CERTAIN WORK PRODUCT,
INFRASTRUCTURE AND REAL PROPERTY**

THIS AGREEMENT REGARDING THE ACQUISITION OF CERTAIN WORK PRODUCT, INFRASTRUCTURE AND REAL PROPERTY (this “**Agreement**”) is made and entered into as of this 3rd day of December, 2015, by and between **FLOW WAY COMMUNITY DEVELOPMENT DISTRICT**, a local unit of special-purpose government established pursuant to Chapter 190, Florida Statutes, whose address is c/o JPWard & Associates, LLC, 2041 NE 6 Terrace, Wilton Manors, Florida 33305 (the “**District**”), and **TAYLOR MORRISON ESPLANADE NAPLES, LLC**, a Florida limited liability company and landowner in the District, whose address is 551 N. Cattlemen Rd., Suite 200, Sarasota, FL 34232 (the “**Developer**”).

RECITALS

WHEREAS, the District was established by ordinance of the Board of County Commissioners of Collier County for the purpose of planning, financing, constructing, acquiring, operating and/or maintaining certain infrastructure, including, but not limited to, roadways, water and sewer utilities, stormwater management, entranceway improvements, landscaping, and other infrastructure authorized by Chapter 190, Florida Statutes; and

WHEREAS, the Developer is the owner of certain lands in Collier County, Florida, located within the boundaries of the District; and

WHEREAS, the District is issuing certain Flow Way Community Development District Special Assessment Bonds, Series 2015 (Phase 4 Project) (the “**Series 2015 (Phase 4 Project) Bonds**”) for the purpose of partially financing the Phase 4 Project (the “**Phase 4 Project**”), as both are described in a Limited Offering Memorandum dated November _____, 2015 (“**LOM**”); and

WHEREAS, the District presently intends to finance, in part, the planning, design, acquisition, construction, and installation of certain infrastructure improvements, facilities, and services, for Phase 4 which constitutes the Phase 4 Project, as more particularly defined in the LOM and detailed in that certain Flow Way Community Development District Master Engineer’s Report prepared by Waldrop Engineering, Inc. and dated August, 2013, as supplemented by that certain Flow Way Community Development District Phase 4 Engineer’s Report for the 2015 Project prepared by Waldrop Engineering, Inc. and dated October 2015 (collectively, the “**Engineer’s Report**”), a copy of which is attached hereto and made a part hereof as **Exhibit “A”** (“**Improvements**”), through the sale of the Series 2015 (Phase 4 Project) Bonds; and

WHEREAS, the District has not had sufficient monies on hand to allow the District to contract directly for the preparation of the necessary surveys, reports, drawings, plans, permits, specifications, and related documents which would allow the timely commencement and completion of construction of the infrastructure improvements, facilities, and services related solely to the Phase 4 Project (the “**Work Product**”); and

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

WHEREAS, the District agrees that it will not have sufficient monies to proceed with either the preparation of the Work Product or the commencement of construction of the infrastructure described in

the Engineer's Report until such time as the District has closed on the sale of the Series 2015 (Phase 4 Project) Bonds; and

WHEREAS, in order to avoid a delay in the commencement of the construction of infrastructure, which delay would also delay the Developer from implementing its planned development program, the Developer has advanced, funded, commenced, and completed and/or will complete or assign certain work to enable the District to expeditiously provide the infrastructure; and

WHEREAS, the Developer is under contract to create or has created the Work Product for the District and wishes to convey to the District any and all of Developer's right, title and interest in the Work Product and provide for the parties who actually created the Work Product to allow the District to use and rely on the Work Product, as it is completed; and

WHEREAS, the Developer acknowledges that upon its conveyance, the District will have the right to use and rely upon the Work Product for any and all purposes and further desires to release to the District all of its right, title, and interest in and to the Work Product (except as otherwise provided for in this Agreement); and

WHEREAS, the District desires to acquire ownership of the completed Work Product, as well as the unrestricted right to use and rely upon the Work Product for any and all purposes; and

WHEREAS, in order to allow the District to avoid delay as a result of the lengthy process incident to the sale and closing on the District's Bonds, the Developer has commenced construction of some portion of the Improvements; and

WHEREAS, the Developer agrees to convey to the District all right, title and interest in the portion of the Improvements completed as of the Acquisition Date (as hereinafter defined) upon payment from proceeds of any future series of bonds issued by the District (or as otherwise provided for herein); and

WHEREAS, in conjunction with the acquisition of the Improvements, the Developer desires to convey to the District interests in certain real property in the Phase 4 Project sufficient to allow the District to own, operate, maintain, construct, or install the Improvements described in the Engineer's Report, if any such conveyances are appropriate, and such conveyances shall be in fee simple, perpetual easement, or other interest as may be in the best interests of the District as determined by the District (the "**Real Property**"); and

WHEREAS, the Developer agrees to convey such Real Property to the District and in a form satisfactory to the District and subject to the conditions set forth herein; and

WHEREAS, the Developer acknowledges that upon its conveyance, the District will have the right to use the Real Property for any and all lawful public purposes and further desires to release to the District its right, title, and interest in and to the Real Property (except as provided for in this Agreement); and

WHEREAS, the District and the Developer are entering into this Agreement to ensure the timely provision of the infrastructure and development.

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

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

2. **Work Product.** The District agrees to pay the reasonable cost incurred by the Developer in preparation of the Work Product, subject to and in accordance with the provisions of this Agreement. The Developer shall provide copies of any and all invoices, bills, receipts, or other evidence of costs incurred by the Developer for the Work Product. The parties agree to cooperate and use good faith and best efforts to undertake and complete the acquisition process contemplated by this Agreement on such date as the parties may jointly agree upon ("**Acquisition Date**"). The parties agree that separate or multiple Acquisition Dates may be established for any portion of the acquisitions contemplated by this Agreement. The District Engineer shall review all evidence of cost and shall certify to the Board of Supervisors of the District (the "**District's Board**") the total amount of cost, which in the District Engineer's sole opinion, is reasonable for the Work Product but in no event in excess of the lower of its actual cost or its reasonable fair market value. In the absence of evidence to the contrary, the actual cost of any or all of the Work Product shall be deemed to be its reasonable fair market value. The District Engineer's opinion as to cost shall be set forth in an Engineer's Certificate which shall accompany the requisition for the funds from the District's Bond Trustee. In the event that the Developer disputes the District Engineer's opinion as to cost, the District and the Developer agree to use good faith efforts to resolve such dispute. If the parties are unable to resolve any such dispute, the parties agree to jointly select a third party engineer whose decision as to any such dispute shall be binding upon the parties. Such a decision by a third party engineer shall be set forth in an Engineer's Affidavit which shall accompany the requisition for the funds from the District's Bond Trustee. The parties acknowledge that the Work Product is being acquired for use by the District in connection with the construction of the Improvements.

A. The Developer agrees to convey to the District the Work Product upon payment of the sums determined to be reasonable by the District Engineer (but in no event in excess of the lower of its actual cost or its reasonable fair market value) and approved by the District's Board pursuant to and as set forth in this Agreement, subject to Section 6 hereof.

B. The Developer agrees to release to the District all right, title, and interest which the Developer may have in and to the above described Work Product, as well as all common law, statutory, and other reserved rights, including all copyrights in the Work Product and extensions and renewals thereof under United States law and throughout the world, and all publication rights and all subsidiary rights and other rights in and to the Work Product in all forms, mediums, and media, now known or hereinafter devised. To the extent determined necessary by the District, the Developer shall, to the extent reasonably possible, obtain all required releases from any professional providing services in connection with the Work Product to enable the District to use and rely upon the Work Product. Such releases may include, but are not limited to, any architectural, engineering, or other professional services. Such releases shall be provided in a timely manner in the sole discretion of the District.

C. The Developer acknowledges the District's right to use and rely upon the Work Product for any and all purposes.

D. The Developer agrees to provide or cause to be provided to the District, to the extent reasonably possible, either by assignment or directly from such third parties as may be necessary and desirable to the mutual satisfaction of the parties hereto, a warranty that the Work Product is fit for the purposes to which it will be put by the District, as contemplated by the Engineer's Report. Nothing herein shall be construed or interpreted to create a warranty by the Developer of any Work Product produced by an independent third party.

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

3. Acquisition of Improvements. The Developer has constructed, is constructing, or is under contract to construct and complete certain of the Improvements. The District agrees to acquire the Improvements, including those portions of the Improvements which have been commenced or completed prior to the issuance of the Bonds. When a portion of the Improvements is ready for conveyance by the Developer to the District, the Developer shall notify the District in writing, describing the nature of the improvement, its general location, and its estimated cost. Developer agrees to provide, at or prior to the Acquisition Date, the following: (i) documentation of actual costs paid; (ii) instruments of conveyance such as warranty bills of sale or such other instruments as may be requested by the District; (iii) evidence of title acceptable to the District, describing the nature of Developer's rights or interest in the Improvements being conveyed, and stating that the Improvements are free and clear of all liens and encumbrances, and that all governmental approvals necessary to install the Improvements have been obtained or will be obtained in the normal course; and (iv) any other releases, indemnifications or documentation as may be reasonably requested by the District. Any real property interests necessary for the functioning of the Improvements to be acquired under this Section and to maintain the tax-exempt status of the Bonds (it being acknowledged that all Improvements must be located on governmentally owned property, in public easements or rights-of-way) shall be reviewed and conveyed in accordance with the provisions of Section 4. The District Engineer in consultation with the District's Counsel shall determine in writing whether or not the infrastructure to be conveyed is a part of the Improvements contemplated by the Engineer's Report, and if so, shall provide Developer with a list of items necessary to complete the acquisition. Each such acquisition shall also be subject to the engineering review and certification process described in Section 2 above. The District Manager shall determine, in writing, whether the District has, based on the Developer's estimate of cost, sufficient unencumbered funds to acquire the Improvements.

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

B. The District Engineer shall certify as to the cost of any improvement built or constructed by or at the direction of the Developer, and the District shall pay no more than the actual cost incurred, or the reasonable fair market cost of the improvement, whichever is less, as determined by the District Engineer, subject to Section 6 hereof. In the absence of evidence to the contrary, the actual cost of any or all of the Work Product shall be deemed to be its reasonable fair market value.

C. At the time of conveyance by the Developer of the Developer's rights or interest in the Improvements, the Improvements being conveyed shall be completed and in good condition, free from defects, as determined in writing by the District's Engineer; and Developer shall warrant to the District and any government entity to which the Improvements may be conveyed by the District, guaranteeing the Improvements against defects in materials, equipment or construction for a period of one (1) year from the date of conveyance.

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

4. Acquisition of Real Property. The District agrees to accept the dedication or conveyance of some or all of the real property over which the Improvements have been or will be constructed or which otherwise facilitates the operation and maintenance of the Improvements. Such dedication or conveyance shall be at no cost to the District. The Developer agrees to provide to the District the following: (i) appropriate special warranty deeds or other instruments of conveyance acceptable to the District; (ii) evidence of title acceptable to the District, describing the nature of Developer's rights or interest in the Improvements being conveyed, and stating that the Improvements are free and clear of all liens and encumbrances; and (iii) legal descriptions, whether by metes and bounds or other reference to plats or recorded data to the satisfaction of the District. The Developer and the District agree that reasonable future adjustments to the legal descriptions may be made in order to accurately describe lands conveyed to the District and lands which remain in the Developer's ownership. The parties agree to cooperate and act in good faith in relation to any such adjustment(s) to legal descriptions. The parties agree that any land transfers made to accommodate such adjustments shall be accomplished by donation; provided, however, no land transfer shall be accomplished if the same would impact the use of the Improvements or the tax-exempt status of the Bonds. However, the party requesting such adjustment shall pay any transaction costs resulting from the adjustment, including but not limited to taxes, title insurance, recording fees or other costs. The District may, in its discretion, require title insurance on any real property conveyed pursuant to this Agreement, which cost shall be borne by the Developer. The Developer agrees that it has, or shall at the time of conveyance provide, good, marketable and insurable title to the real property to be acquired which shall be free from all liens and encumbrances that render title unmarketable. The Developer indemnifies and hold the District harmless from any and all claims, demands, liabilities, judgments, costs, or other actions which may be brought against or imposed upon the District as a result of the Developer's failure, whether intentional, negligent or otherwise, to comply with the terms of the Developer's obligations to convey as set forth in this Section.

5. Assignment of Construction Contracts. Subject to any limitation under Florida law, the District agrees to accept an assignment of construction contracts for Improvements in an expeditious manner. Acceptance of such assignment shall be predicated upon (i) each contractor providing a bond or other security in the form and manner required by Section 255.05, Florida Statutes, (ii) receipt by the District of a Developer's affidavit, in a form acceptable to the District's Chairperson, relating to certain obligations to be fulfilled by Developer prior to the District accepting the assignment, and (iii) a release from each general contractor acknowledging each assignment and the validity thereof, acknowledging the furnishing and recording of the bond or other security required by Section 255.05, Florida Statutes, and waiving any and all claims against the District arising as a result of or connected with such assignment. The Developer hereby indemnifies and holds the District harmless from any claims, demands, liabilities, judgments, costs, or other actions which may be brought against or imposed upon the District in connection with or as a result of this assignment by any contractors, subcontractors, sub-subcontractors, materialmen, and others providing labor or services in conjunction with each Construction Contract and including claims by members of the public as such claims relate to the period of time prior to the District's acceptance of the assignment, except for limitations otherwise provided for in this Agreement, and further except for any such matters arising out of, or in connection with, an act or failure to act by the District, including but not limited to the District's obligations to pay the Developer any and all monies owed or to become owed by the District to the Developer.

6. Payment by District. Payment for the Work Product and the Improvements described herein and contemplated by this Agreement shall be payable solely from the proceeds of the Bonds available for that purpose at the times and in the manner provided in the Trust Indenture relating thereto. The Developer shall be obligated to construct and complete the Improvements, and to convey the same

and the Work Product and any real property, all as provided by this Agreement or other agreements between the parties.

7. Limitation on Acquisitions/Completion Agreement. The Developer and the District agree and acknowledge that any and all acquisitions, whether for improvements, work product or related real property, shall be limited to those items which may legally be acquired by the District in conformance with all applicable state and federal laws and regulations and that nothing herein shall be deemed or construed to require the acquisition of any item in contravention of these authorities. Further, to the extent the Developer and the District enter into this Agreement prior to the closing on the sale of the Series 2015 (Phase 4 Project) Bonds, it is acknowledged by the parties that the Bonds will provide only a portion of the funds necessary to complete the Improvements described in the Engineer's Report. As such, in connection with the sale of the Series 2015 (Phase 4 Project) Bonds, the parties agree to enter into a completion agreement (the "**Completion Agreement**") whereby the Developer agrees to complete, cause to be completed, provide funds or cause funds to be provided to the District in an amount sufficient to allow the District to complete or cause to be completed, those portions of the Improvements described in the Engineer's Report which remain unfunded by the Series 2015 (Phase 4 Project) Bonds, subject, however, to any limitations of the Developer's liability set forth more specifically in Completion Agreement.

8. Taxes, Assessments, and Costs.

A. Taxes, assessments and costs resulting from Agreement. The Developer agrees to indemnify the District from and make payment for any and all taxes (ad valorem, personal property, intangibles, or otherwise), non-ad valorem assessments, and costs which may be imposed upon the District, and which the District is legally obligated to pay, as a result of the parties entering into this Agreement, if any, whether such taxes, assessments, or costs are imposed upon the District's property or property interest, or the Developer's property or property interest, or any other such expense. As to any parcel of Real Property conveyed by Developer pursuant to this Agreement, the potential obligations of the Developer to pay such taxes, assessments and cost that may be incurred as a result of the parties entering into this Agreement shall terminate one (1) year after conveyance of such parcel of Real Property.

B. Taxes and assessments on property being acquired. The District is an exempt governmental unit acquiring property pursuant to this Agreement for use exclusively for public purposes. Accordingly, in accordance with Florida law, the Developer agrees to place in escrow with the Collier County Tax Collector an amount equal to the current ad valorem taxes and non-ad valorem assessments (with the exception of those ad valorem taxes and non-ad valorem assessments levied by the District) prorated to the date of transfer of title, based upon the expected assessment and millage rates giving effect to the greatest discount available for early payment.

1. If and only to the extent the property acquired by the District is subject to ad valorem taxes or non-ad valorem assessments, the Developer agrees to reimburse the District for payment, or pay on its behalf, any and all ad valorem taxes and non-ad valorem assessments imposed during the calendar year in which each parcel of property is conveyed. For example, if the District acquires property in October 2016, the Developer shall escrow the pro rata amount of taxes due for the tax bill payable in November 2016. If any additional taxes are imposed on the District's property in 2016, then the Developer agrees to reimburse the District for that additional amount.

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

C. Notice. The parties agree to provide notice to the other within ten (10) calendar days of receipt of any notice of potential or actual taxes, assessments, or costs, as a result of any transaction pursuant to this Agreement, or notice of any other taxes assessments or costs imposed on the property acquired by the District as described in subsection B above. The Developer covenants to make any payments due hereunder in a timely manner in accord with Florida law. In the event that the Developer fails to make timely payment of any such taxes or costs, the Developer acknowledges the District's right to make such payment. If the District makes such payment, the Developer agrees to reimburse the District within thirty (30) calendar days of receiving notice of such payment, and to include in such reimbursement any fees, costs, penalties, or other expenses which accrued to the District as a result of making such a payment, including interest at the maximum rate allowed by law from the date of the payment made by the District.

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

9. Default. A default by either party under this Agreement shall entitle the other to all remedies available at law or in equity, which may include, but not be limited to, the right of damages and/or specific performance; provided, however, in no event shall either party be entitled to any consequential, punitive, exemplary or special damage awards.

10. Indemnification. For all actions or activities which occur prior to the date of the acquisition or assignment of the relevant Real Property, Improvement or Work Product hereunder, the Developer agrees to indemnify and hold harmless the District and its officers, staff, agents and employees from any and all liability, claims, actions, suits or demands by any person, corporation or other entity for injuries, death, property damage or claims of any nature arising out of, or in connection with, this Agreement or the use by the Developer, its officers, agents, employees, invitees or affiliates, of the Real Property, Improvement, or Work Product, including litigation or any appellate proceedings with respect thereto, irrespective of the date of the initiation or notice of the claim, suit, etc.; provided, however, that the Developer shall not indemnify the District for a default by the District under this Agreement.

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

12. Agreement. This instrument shall constitute the final and complete expression of this Agreement between the District and the Developer relating to the subject matter of this Agreement.

13. Amendments. Amendments to and waivers of the provisions contained in this Agreement may be made only by an instrument in writing which is executed by all parties hereto. No amendment to this Agreement shall be made without the prior written consent of the Trustee for the Series 2015 (Phase 4 Project) Bonds and the holders of the Series 2015 (Phase 4 Project) Bonds owning a majority of the aggregate principal amount of all Series 2015 (Phase 4 Project) Bonds outstanding.

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

15. Notices. All notices, requests, consents and other communications under this Agreement (“**Notices**”) shall be in writing and shall be hand delivered, sent by regular U.S. Mail, or delivered via overnight delivery service to the parties, as follows:

A. **If to District:** Flow Way Community Development District
c/o JP Ward & Associates, LLC
2041 NE 6 Terrace
Wilton Manors, Florida 33305
Attn: District Manager

With a copy to: Coleman, Yovanovich & Koester, P.A.
4001 Tamiami Trail N., Suite 300
Naples, Florida 34103
Attn: Gregory L. Urbancic, Esq.

B. **If to Developer:** Taylor Morrison Esplanade Naples, LLC
551 N Cattlemen Rd Suite 200
Sarasota, FL 34232
Attn: Managing Member

With a copy to: Todd Merrill, Esq.
Associate General Counsel
Taylor Morrison
1211 N. Westshore Blvd., Ste. 512.
Tampa, Florida 33607

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

16. Arm’s Length Transaction. This Agreement has been negotiated fully between the District and the Developer as an arm’s length transaction. All parties participated fully in the preparation of this Agreement and received the advice of counsel. In the case of a dispute concerning the interpretation of any provision of this Agreement, all parties are deemed to have drafted, chosen, and selected the language, and the doubtful language will not be interpreted or construed against any party hereto.

17. Third-Party Beneficiaries. This Agreement is solely for the benefit of the District and the Developer and no right or cause of action shall accrue upon or by reason, to or for the benefit of any

third party not a formal party to this Agreement. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person or entity other than the District and the Developer any right, remedy, or claim under or by reason of this Agreement or any of the provisions or conditions of this Agreement; and all of the provisions, representations, covenants, and conditions contained in this Agreement shall inure to the sole benefit of and shall be binding upon the District and the Developer and their respective representatives, successors, and assigns. Notwithstanding the foregoing, the Trustee for the Series 2015 (Phase 4 Project) Bonds, on behalf of the holders of the Series 2015 (Phase 4 Project) Bonds, shall be a direct third party beneficiary of the terms and conditions of this Agreement and shall be entitled to cause the District to enforce the Developer's obligations hereunder. Said Trustee, however, shall not be deemed to have assumed any obligation as a result of this Agreement.

18. Assignment. Neither the District nor the Developer may assign this Agreement without the prior written approval of the other party hereto, the Trustee for the Series 2015 (Phase 4 Project) Bonds and holders of the Series 2015 (Phase 4 Project) Bonds owning a majority of the aggregate principal amount of all Series 2015 (Phase 4 Project) Bonds outstanding.

19. Applicable Law and Venue. This Agreement and the provisions contained herein shall be construed, interpreted and controlled according to the laws of the State of Florida. Each party consents that the venue for any litigation arising out of or related to this Agreement shall be in Collier County, Florida.

20. Effective Date. This Agreement shall be effective upon its execution by the District and the Developer.

21. Termination. This Agreement may be terminated by the District without penalty in the event that the District does not issue its proposed Bonds within thirty (30) days from the date of this Agreement.

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

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

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

25. Headings for Convenience Only. The descriptive headings in this Agreement are for convenience only and shall not control nor affect the meaning or construction of any of the provisions of this Agreement.

26. Counterparts. This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be an original; however, all such counterparts together shall constitute but one and the same instrument. Signature and acknowledgment pages, if any, may be

detached from the counterparts and attached to a single copy of this document to physically form one document.

(Remainder of Page Intentionally Left Blank. Signatures Begin on Next Page.)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

DISTRICT:

FLOW WAY COMMUNITY DEVELOPMENT DISTRICT

ATTEST:

James P. Ward, Secretary

By: _____
John Asher, Chairman

DEVELOPER:

TAYLOR MORRISON ESPLANADE NAPLES, LLC, a Florida limited liability company

By: **TAYLOR MORRISON OF FLORIDA, INC.,**
a Florida corporation, its Managing Member

By: _____

Name: _____

Title: _____

Exhibit "A": Flow Way Community Development District Master Engineer's Report prepared by Waldrop Engineering, Inc. and dated August, 2013, as supplemented by that certain Flow Way Community Development District Phase 4 Engineer's Report for the 2015 Project prepared by Waldrop Engineering, Inc. and dated October 2015

EXHIBIT G

FORM OF ASSIGNMENT AGREEMENT

P. This instrument prepared by and after recording return to:
Gregory L. Urbancic, Esq.
Coleman, Yovanovich & Koester, P.A.
4001 Tamiami Tr. N., Suite 300
Naples, FL 34103

(space above this line for recording data)

COLLATERAL ASSIGNMENT AND ASSUMPTION OF DEVELOPMENT AND CONTRACT RIGHTS RELATING TO THE PHASE 4 PROJECT

THIS COLLATERAL ASSIGNMENT AND ASSUMPTION OF DEVELOPMENT RIGHTS RELATING TO THE PHASE 4 PROJECT (this “**Assignment**”) is made as of this 3rd day of December, 2015, by **TAYLOR MORRISON ESPLANADE NAPLES, LLC**, a Florida limited liability company (together with certain successors and assigns as specified herein, “**Assignor**”), in favor of **FLOW WAY COMMUNITY DEVELOPMENT DISTRICT**, a local unit of special purpose government organized and created under the laws of the State of Florida, located in Collier County, Florida (together with its successors and assigns, the “**District**” or “**Assignee**”).

RECITALS

WHEREAS, the District proposes to issue its Flow Way Community Development District Special Assessment Bonds, Series 2015 (Phase 4 Project) (the “**Bonds**”) to finance certain public infrastructure which will provide special benefit to a specified portion of the developable lands in the District (the “**District Lands**”) in the residential project commonly referred to as Esplanade Golf and Country Club of Naples, which District Lands are located within the geographical boundaries of the District and which public infrastructure is located within the geographical boundaries of the District; and

WHEREAS, the security for the repayment of the Bonds is the Series 2015 (Phase 4 Project) Special Assessments (the “**Special Assessments**”) levied against the District Lands; and

WHEREAS, within the District Lands subject to the Special Assessments, the District has platted (or will plat) 163 residential units (the “**Unit Parcels**”) which are being developed to be sold to end-users within the District (the “**Development Completion**”); and

WHEREAS, during the time that the Unit Parcels are not owned by end user residents, there is an increased likelihood that adverse changes to local or national economic conditions may result in a default in the payment of the Special Assessments securing the Bonds; and

WHEREAS, Assignor represents that it is the owner of the District Lands and it controls and/or will control the master permits and entitlements for the development of the District Lands; and

WHEREAS, in the event of default in the payment of the Special Assessments securing the Bonds, the District has certain remedies with respect to the lien of the Special Assessments as more particularly set forth in the trust indentures securing the Bonds (the “**Remedial Rights**”); and

WHEREAS, in the event the District exercises its Remedial Rights, the District requires this assignment of certain Development Rights (defined below), to complete development of the District's Phase 4 Project ("**Phase 4 Project**") described in that certain Flow Way Community Development District Phase 4 Engineer's Report for the 2015 Project prepared by Waldrop Engineering, Inc. and dated October 2015 ("**Engineer's Report**") to the extent that such Development Rights have not been assigned, transferred, or otherwise conveyed to Collier County, Florida, the District, any other non-affiliated homebuilder, any utility provider, governmental or quasi-governmental entity, any applicable homeowners' association or other governing entity or association, as may be required by applicable permits, approvals, plats, entitlements or regulations affecting the District Lands, if any (a "**Prior Transfer**"); and

WHEREAS, this Assignment is not intended to impair or interfere with the development of those District Lands owned by Assignor and described in Exhibit "A" attached hereto and incorporated herein by this reference ("**Collateral Assignment Area**") as anticipated by and at substantially the densities and intensities envisioned in the Engineer's Report until an Event of Default (as hereinafter defined). Assignor shall have a revocable license to exercise all rights of Assignor under the Development Rights (as defined below); provided, however, that this Assignment shall only be effective and absolute to the extent that (i) this Assignment has not been terminated earlier pursuant to the express terms of this Assignment; (ii) to the extent that a Prior Transfer has not already occurred with respect to the Development Rights, but only to the extent that such particular Development Rights are subject to the Prior Transfer; or (iii) to the extent that a Unit Parcel is conveyed to a homebuilder not affiliated with the Assignor or end-user resident, in which event such Unit Parcel shall be released automatically herefrom (a "**Qualified Transferred Property**"); and

WHEREAS, the rights assigned to the District hereunder shall be exercised in a manner which will not materially affect the intended development of the District Lands; and

WHEREAS, absent this Assignment becoming effective and absolute, it shall automatically terminate upon the earliest to occur of the following: (i) payment of the Bonds in full; (ii) Development Completion; and (iii) upon occurrence of a Prior Transfer, but only to the extent that such particular Development Rights are subject to the Prior Transfer (herein, the "**Term**").

NOW, THEREFORE, in consideration of the above recitals which the parties hereby agree are true and correct and are hereby incorporated by reference and other good and valuable consideration, the sufficiency of which is acknowledged, Assignor and Assignee agree as follows:

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

2. **Collateral Assignment.** Assignor hereby collaterally assigns, transfer and sets over to Assignee, to the extent assignable and to the extent that they are solely owned or controlled by Assignor or subsequently acquired by the Assignor, all of Assignor's development rights relating to development of the District Lands, and Assignor's rights as declarant of all property and homeowner association with respect to, and to the extent of the Unit Parcels not conveyed to third parties as of the date hereof (herein, collectively, the "**Development Rights**") as security for Assignor's payment and performance and discharge of its obligation to pay the Special Assessments levied against the Collateral Assignment Area owned by the Assignor from time to time. This assignment is absolute and effective immediately. Notwithstanding the foregoing, Assignor shall have a revocable license to exercise all rights under the Development Rights until an Event of Default (as defined below) shall have occurred. Upon the occurrence of an Event of Default, at Assignee's option, by written notice to Assignor, Assignee shall have the right to exercise all of the Development Rights. Assignor hereby grants to Assignee a license to

enter upon the Collateral Assignment Area for the purposes of exercising any of the Development Rights. The Development Rights shall include the items listed in subsections (a) through (f) below as they pertain to development of the District Lands, but shall specifically exclude any portion of the Development Rights which relate solely to (i) a Qualified Transferred Property; (ii) any Prior Transfer; or (iii) lands outside the District Lands or improvements not included in the District Lands (except for off-site lands to the extent improvements are necessary or required to complete the Phase 4 Project):

(a) Engineering and construction plans and specifications for grading, roadways, site drainage, storm water drainage, signage, water distribution, waste water collection, and other land development improvements;

(b) Preliminary and final site plans and plats;

(c) Permits, approvals, resolutions, variances, licenses, and franchises granted by governmental authorities, or any of their respective agencies, for or affecting the development within the District Lands and construction of improvements thereon, except not including any of the foregoing related to residential structures, or the amenity structures within the District Lands constructed by or to be constructed by Assignor, and off-site to the extent improvements are necessary or required to complete the Phase 4 Project;

(d) Contracts with engineers, architects, land planners, landscape architects, consultants, contractors, and suppliers for or relating to the construction of the development within the Lands or the construction of improvements thereon. except not including any of the foregoing related to residential structures, or the amenity structures within the District Lands constructed by or to be constructed by Assignor;

(e) All impact fees and impact fee credits; and

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

3. **Warranties by Assignor.** Assignor represents and warrants to Assignee as follows:

(a) Assignor has made no assignment of the Development Rights to any person other than Assignee.

(b) Assignor is not prohibited under agreement with any other person or under any judgment or decree from the execution and delivery of this Assignment.

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

(d) Assignor is the developer of the Unit Parcels and controls the master permits and entitlements for the Collateral Assignment Area.

(e) There are no required third-party consents to the transfer of the Development Rights.

(f) Any transfer, conveyance or sale of the Collateral Assignment Area shall subject any and all affiliated entities or successors-in-interest of the Assignor to the Assignment, except to the extent of a conveyance described in Section 2(i), (ii) or (iii).

4. **Covenants.** Assignor covenants with Assignee that during the Term (as defined above):

(a) Assignor will use reasonable, good faith efforts to: (i) fulfill, perform, and observe each and every material condition and covenant of Assignor relating to the Development Rights and (ii) give notice to Assignee of any claim of default relating to the Development Rights given to or by Assignor, together with a complete copy of any such claim.

(b) The Development Rights include, without limitation, all of Assignor's right to modify the Development Rights, to terminate the Development Rights, and to waive or release the performance or observance of any obligation or condition of the Development Rights; provided that no such modification, termination, waiver or release affects any of the Development Rights which pertain to lands outside of the District not relating to development of the District Lands.

(c) Assignor agrees to perform any and all actions necessary and use good faith efforts relating to any and all future creations, changes, extensions, revisions, modifications, substitutions, and replacements of the Development Rights.

(d) Assignor agrees to obtain any and all necessary third-party consents to the assignment or transfer of the Development Rights at the time of receipt or effectiveness of the Development Rights, for the contracts or entitlements that are obtained in the future.

(e) Assignor agrees not to take any action that would decrease the development entitlements to a level below the amount necessary to support the then outstanding Bonds.

5. **Events of Default.** Any (a) breach of the Assignor's warranties contained in Section 3 hereof; (b) breach of covenants contained in Section 3 hereof will, after the giving of written notice and an opportunity to cure (which cure period shall not be less than sixty (60) days unless Assignee, in its sole discretion, agrees to a longer cure period); or (c) Assignor's default in the payment of the Special Assessments or any installment thereof, shall constitute an "**Event of Default**" under this Assignment.

6. **Assignee Obligations.** Nothing herein shall be construed as an obligation on the part of Assignee to accept any liability for all or any portion of the Development Rights unless Assignee choose to do so in its sole discretion. Nor shall any provision hereunder be construed to place any liability or obligation on Assignee for compliance with the terms and provisions of all or any portion of the Development Rights. Assignor hereby agrees to indemnify, defend and hold harmless Assignee from any loss, cost, damage, claim or expense arising from or respect to any matter related to the Development Rights arising before the date that Assignee elects to revoke Assignor's license hereunder in accordance with Section 2 hereof.

7. **Remedies Upon Default.** Upon an Event of Default, or the transfer of title to Unit Parcels owned by Assignor pursuant to a judgment of foreclosure entered by a court of competent jurisdiction in favor of Assignee (or its designee) or a deed in lieu of foreclosure to Assignee (or its designee), or through the sale of tax certificates to Assignee (or its designee) (each hereinafter being a "**Transfer**"), Assignee shall have the right, but not the obligation subject to the provisions of Section 9 hereof, to take any or all of the following actions, at Assignee's option: (a) perform any and all obligations of Assignor relating to the Development Rights and exercise any and all rights of Assignor therein as fully as Assignor could; (b) initiate, appear in, or defend any action arising out of or affecting

the Development Rights; and/or (c) further assign any and all of the Development Rights to a third party acquiring title to the District Lands or any portion thereof from the District or at a District foreclosure sale.

8. **Authorization.** After an Event of Default or a Transfer, Assignor does hereby authorize and shall direct any party to any agreement relating to the Development Rights to tender performance thereunder to Assignee upon written notice and request from Assignee. Any such performance in favor of Assignee shall constitute a full release and discharge to the extent of such performance as fully as though made directly to Assignor. Notwithstanding the foregoing or anything to the contrary set forth in this Assignment, no exercise by the Assignee or the Assignee's rights under this Assignment shall operate to release the Assignor from its obligations under this Assignment.

9. **Third Party Beneficiaries and Direction of Remedies Upon Default.** Assignor acknowledges that pursuant to that certain Second Supplemental Trust Indenture of even date herewith (the "**Indenture**"), the Assignee has assigned its rights under this Assignment to U.S. Bank National Association (the "**Trustee**"), for the benefit of the bondholders. The parties hereto agree that the Trustee for the Bonds, on behalf of the bondholders, shall be a direct third party beneficiary of the terms and conditions of this Assignment. The Assignor acknowledges that pursuant to the Indenture, in the event of an Event of Default, the Trustee shall have the right to direct the actions of the Assignee and select the remedies in this Assignment; provided, such direction shall be made by the direction of the holders of the Bonds owning a majority of the aggregate principal amount of all Bonds outstanding. This Assignment may not be amended without the prior written consent of the Trustees and the holders of the Bonds owning a majority of the aggregate principal amount of all Bonds outstanding. The Trustee shall not be deemed by virtue of this Assignment to have assumed any obligations or duties.

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

11. **Further Assurances.** Whenever and so often as requested by a party hereto, the other party will promptly execute and deliver or cause to be executed and delivered all such other and further instruments, documents or assurances, and promptly do or cause to be done all such other and further things as may be necessary and reasonably required in order to further and more fully vest in such party all rights, interest, powers, benefits, privileges and advantages conferred or intended to be conferred upon it by this Assignment.

(Remainder of Page Intentionally Left Blank. Signatures Begin on Next Page.)

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

ASSIGNOR:

WITNESSES:

**TAYLOR MORRISON ESPLANADE
NAPLES, LLC**, a Florida limited liability company

Witness Signature
Printed name: _____

By: Taylor Morrison of Florida, Inc., a Florida corporation, its Managing Member

Witness Signature
Printed name: _____

By: _____

Name: _____

Title: _____

STATE OF FLORIDA)
) SS:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of December, 2015, by _____, as _____ of Taylor Morrison of Florida, Inc., a Florida corporation as Managing Member of **TAYLOR MORRISON ESPLANADE NAPLES, LLC**, a Florida limited liability company, for and on behalf of said limited liability company, who [] is personally known to me or [] produced _____ as identification.

NOTARY STAMP:

Signature of Notary Public

Printed Name of Notary Public

ASSIGNEE:

**FLOW WAY COMMUNITY
DEVELOPMENT DISTRICT**

WITNESSES:

Witness Signature
Printed name:_____

By:_____
John Asher, Chairman

Witness Signature
Printed name:_____

STATE OF FLORIDA)
) SS:
COUNTY OF COLLIER)

The foregoing instrument was acknowledged before me this ____ day of December, 2015, by John Asher, as Chairman of the Board of Supervisors of Flow Way Community Development District, for and on behalf of the District, who [] is personally known to me or [] produced _____ as identification.

NOTARY STAMP:

Signature of Notary Public

Printed Name of Notary Public

EXHIBIT A

Legal Description of Collateral Assignment Area

[Insert legal for Phase 4 Project area]

EXHIBIT H

FORM OF COMPLETION AGREEMENT

AGREEMENT REGARDING THE COMPLETION OF CERTAIN IMPROVEMENTS

THIS AGREEMENT REGARDING THE COMPLETION OF CERTAIN IMPROVEMENTS (this “**Agreement**”) is made and entered into as of this 3rd day of December, 2015, by and between **FLOW WAY COMMUNITY DEVELOPMENT DISTRICT**, a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*, whose address is c/o JP Ward & Associates, LLC, 2041 NE 6 Terrace, Wilton Manors, Florida 33305 (the “**District**”) and **TAYLOR MORRISON ESPLANADE NAPLES, LLC**, a Florida limited liability company and a landowner in the District, whose address is 551 N. Cattlemen Rd., Suite 200, Sarasota, FL 34232 (the “**Developer**”).

RECITALS

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

WHEREAS, the Act authorizes the District to issue bonds for the purposes, among others, of planning, financing, constructing, operating and/or maintaining certain infrastructure, including roadways and sidewalks, stormwater infrastructure, sewer infrastructure, water infrastructure, reclaimed water, wetland mitigation, hardscape and landscape elements, street lighting and other infrastructure within or without the boundaries of the District; and

WHEREAS, the Developer is the primary owner of certain lands in unincorporated Collier County, Florida, located within the boundaries of the District; and

WHEREAS, the District is issuing certain Series 2015 (Phase 4 Project) Bonds (as defined below) as described in a Limited Offering Memorandum dated December _____, 2015 (“**LOM**”); and

WHEREAS, the District has adopted an improvement plan for the planning, design, acquisition, construction, and installation of certain public infrastructure improvements, facilities and services within and without the boundaries of the District, which plan is detailed in certain Flow Way Community Development District Master Engineer’s Report prepared by Waldrop Engineering, Inc. and dated August, 2013, as supplemented by that certain Flow Way Community Development District Phase 4 Engineer’s Report for the 2015 Project prepared by Waldrop Engineering, Inc. and dated October 2015, a copy of which is attached hereto and made a part hereof as **Exhibit “A”** (the “**Engineer’s Report**”). The portion of the Engineer’s Report which outlines the initial improvement plan for the planning, design, acquisition, construction, and installation of certain public infrastructure improvements, facilities and services for Phase 4 shall be referred to herein as the “**Phase 4 Project**” (as further defined in the LOM); and

WHEREAS, the Engineer’s Report describes the overall improvement plan for the Phase 4 Project in the approximate amount of \$3,888,693.55; and

WHEREAS, the District has imposed special assessments on a portion of the property within the District to secure financing for the construction of the public infrastructure improvements for Phase 3 described in the Engineer’s Report, and has validated not to exceed \$45,000,000.00 in capital improvement revenue bonds to fund the planning, design, permitting, construction and/or acquisition of improvements including the Improvements; and

WHEREAS, the District intends to finance a portion of the Phase 4 Project through the use of proceeds from the anticipated sale of \$_____,000.00 in aggregate principal amount of Flow Way Community Development District (Collier County, Florida) Special Assessment Bonds, Series 2015 (the “**Series 2015 (Phase 4 Project) Bonds**”); and

WHEREAS, in order to ensure that Phase 4 Project is completed and funding is available in a timely manner to provide for its completion, the parties hereby agree that the District will be obligated to issue no more than \$_____,000.00 in bonds to fund the Phase 4 Project and the Developer will make provision for any additional funds that may be needed in the future for the completion of the Phase 4 Project over and above that amount including, but not limited to, all administrative, legal, engineering, permitting or other related soft costs (provided, however, that nothing herein shall be construed to limit the authority of the District to issue additional bonds to fund the Phase 4 Project).

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

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

2. **Completion of Improvements.** The Developer and the District agree and acknowledge that the District’s proposed Series 2015 (Phase 4 Project) Bonds will provide only a portion of the funds necessary to complete the Phase 4 Project. Therefore, the Developer hereby agrees to complete, cause to be completed, provide funds or cause funds to be provided to the District in an amount sufficient to allow the District to complete or cause to be completed, those portions of the Phase 4 Project which remain unfunded including, but not limited to, all administrative, legal, engineering, permitting or other related to the Phase 4 Project (the “**Remaining Improvements**”) whether pursuant to existing contracts, including change orders thereto, or future contracts. Nothing herein shall cause or be construed to require the District to issue additional bonds or indebtedness to provide funds for any portion of the Remaining Improvements. The District and Developer hereby acknowledge and agree that the District’s execution of this Agreement constitutes the manner and means by which the District has elected to provide any and all portions of the Remaining Improvements.

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

(b) When any portion of the Remaining Improvements is not the subject of an existing District contract, the Developer may choose to complete, cause to be completed, provide funds or cause funds to be provided to the District in an amount sufficient to allow the District to complete or cause to be completed, those Remaining Improvements, so long as the District’s Board of Supervisors determines that the option selected by the Developer will not adversely impact the District and is in the District’s best interests. To the extent the District’s Board of Supervisors determines the option selected by the Developer will adversely impact the District and/or is not in the District’s best interests, the Developer shall complete said portion of the Remaining Improvements in the manner requested by the District.

3. Other Conditions and Acknowledgments

(a) The District and the Developer agree and acknowledge that the exact location, size, configuration and composition of the Phase 4 Project may change from that described as the Phase 4 Project, depending upon final design of the development, permitting or other regulatory requirements over time, or other factors. Material changes to the Phase 4 Project shall be made by a written amendment to the Engineer's Report, which shall include an estimate of the cost of the changes. No material changes to the Phase 4 Project shall be made without the prior written consent of the Trustee for the Series 2015 (Phase 4 Project) Bonds and the holders of the Series 2015 (Phase 4 Project) Bonds owning a majority of the aggregate principal amount of all Series 2015 (Phase 4 Project) Bonds outstanding.

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

(c) Notwithstanding anything to the contrary contained in this Agreement, the payment or performance by the Developer of its completion obligations hereunder is expressly subject to, dependent and conditioned upon (a) the issuance of \$____,000.00 par amount of bonds and use of the proceeds thereof to fund a portion of the Improvements in the Engineer's Report, and (b) the scope, configuration, size and/or composition of the Capital Improvement Plan not materially changing without the consent of the Developer. Such consent is not necessary and the Developer must meet the completion obligations, or cause them to be met, when the scope, configuration, size and/or composition of the Improvements is materially changed in response to a requirement imposed by a regulatory agency.

4. **Default.** In the event of any default by the Developer in satisfying its obligations as and when required by the terms of this Agreement, then the District shall notify the Developer in writing of such default, and the Developer shall have a period of thirty (30) days from and after notice from the District to cure such default ("**Developer Cure Period**"). If the Developer fails to cure such default within the Developer Cure Period, then the District shall have the right, but not the obligation, to satisfy any such obligations giving rise to the default directly and thereafter record a lien against any or all lands then owned by the Developer within the District for the amount of any costs incurred by the District in satisfying such defaulted obligations, which lien shall be enforceable and foreclosable in the manner of construction lien pursuant to Section 713, Florida Statutes. In addition, upon a default by the Developer beyond the applicable cure periods set forth herein, the District shall be entitled to all remedies available at law or in equity, which may include, but not be limited to, the right of actual damages and/or specific performance. Notwithstanding the foregoing, nothing in this section shall operate to release the Developer from its respective obligations under this Agreement.

5. **Enforcement of Agreement.** In the event that either party is required to enforce this Agreement by court proceedings or otherwise, then the parties agree that the prevailing party shall be entitled to recover from the other all fees and costs incurred, including reasonable attorneys' fees and costs for trial, alternative dispute resolution, or appellate proceedings. Notwithstanding anything to the contrary herein, in no event shall either party be entitled to any consequential, punitive, exemplary or special damage awards with respect to the enforcement of this Agreement.

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

No amendment to this Agreement shall be made without the prior written consent of the Trustee for the Series 2015 (Phase 4 Project) Bonds and the holders of the Series 2015 (Phase 4 Project) Bonds owning a majority of the aggregate principal amount of all Series 2015 (Phase 4 Project) Bonds outstanding.

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

8. **Notices.** All notices, requests, consents and other communications under this Agreement (“**Notices**”) shall be in writing and shall be hand delivered, sent by regular U.S. Mail, or delivered via overnight delivery service to the parties, as follows:

A. If to District: Flow Way
Community Development District
c/o JPWard & Associates, LLC
2041 NE 6 Terrace
Wilton Manors, Florida 33305
Attn: District Manager

With a copy to: Coleman, Yovanovich & Koester, P.A.
4001 Tamiami Trail N., Suite 300
Naples, Florida 34103
Attn: Gregory L. Urbancic, Esq.

B. If to Developer: Taylor Morrison Esplanade Naples, LLC
551 N Cattlemen Rd Suite 200
Sarasota, FL 34232
Attn: Managing Member

With a copy to: Todd Merrill, Esq.
Associate General Counsel
Taylor Morrison
1211 N. Westshore Blvd. Ste. 512.
Tampa, Florida 33607

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

9. **Arm’s Length Transaction.** This Agreement has been negotiated fully between the District and the Developer as an arm’s length transaction. Both parties participated fully in the preparation of this Agreement and received the advice of counsel. In the case of a dispute concerning the interpretation of any provision of this Agreement, both parties are deemed to have drafted, chosen, and

selected the language, and the doubtful language will not be interpreted or construed against either the District or the Developer.

10. Third Party Beneficiaries. This Agreement is solely for the benefit of the District and the Developer and no right or cause of action shall accrue upon or by reason, to or for the benefit of any third party not a formal party to this Agreement. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person or corporation other than the District and the Developer any right, remedy, or claim under or by reason of this Agreement or any of the provisions or conditions of this Agreement; and all of the provisions, representations, covenants, and conditions contained in this Agreement shall inure to the sole benefit of and shall be binding upon the District and the Developer and their respective representatives, successors, and assigns. Notwithstanding the foregoing, the Trustee for the Series 2015 (Phase 4 Project) Bonds, on behalf of the holders of the Series 2015 (Phase 4 Project) Bonds, shall be a direct third party beneficiary of the terms and conditions of this Agreement and shall be entitled to cause the District to enforce the Developer's obligations hereunder. Said Trustee shall not be deemed to have assumed any obligation as a result of this Agreement.

11. Assignment. Neither the District nor the Developer may assign this Agreement or any monies to become due hereunder without the prior written approval of the other party hereto, the Trustee for the Series 2015 (Phase 4 Project) Bonds and the holders of the Series 2015 (Phase 4 Project) Bonds owning a majority of the aggregate principal amount of all Series 2015 (Phase 4 Project) Bonds outstanding.

12. Applicable Law and Venue. This Agreement and the provisions contained herein shall be construed, interpreted and controlled according to the laws of the State of Florida. Each party consents that the venue for any litigation arising out of or related to this Agreement shall be in Collier County, Florida.

13. Effective Date. This Agreement shall be effective upon execution by both the District and the Developer.

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

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

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

17. Headings for Convenience Only. The descriptive headings in this Agreement are for convenience only and shall not control nor affect the meaning or construction of any of the provisions of this Agreement.

18. Counterparts. This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be an original; however, all such counterparts together shall

constitute, but one and the same instrument. Signature and acknowledgment pages, if any, may be detached from the counterparts and attached to a single copy of this document to physically form one document.

(Remainder of Page Intentionally Left Blank. Signatures Begin on Next Page.)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

DISTRICT:

FLOW WAY COMMUNITY DEVELOPMENT DISTRICT

ATTEST:

James P. Ward, Secretary

By: _____
John Asher, Chairman

DEVELOPER:

TAYLOR MORRISON ESPLANADE NAPLES, LLC, a Florida limited liability company

By: **TAYLOR MORRISON OF FLORIDA, INC.**,
a Florida corporation, its Managing Member

By: _____

Name: _____

Title: _____

Exhibit “A”: Flow Way Community Development District Master Engineer’s Report prepared by Waldrop Engineering, Inc. and dated August, 2013, as supplemented by that certain Flow Way Community Development District Phase 4 Engineer’s Report for the 2015 Project prepared by Waldrop Engineering, Inc. and dated October 2015