

**HARMONY
COMMUNITY DEVELOPMENT DISTRICT**

JUNE 10, 2014

AGENDA PACKAGE



Harmony Community Development District

Steve Berube, Chairman
Ray Walls, Vice Chairman
David Farnsworth, Assistant Secretary
Kerul Kassel, Assistant Secretary
Mark LeMenager, Assistant Secretary

Gary L. Moyer, District Manager
Kenza van Assenderp, District Counsel
Steve Boyd, District Engineer
Todd Haskett, Project Coordinator

June 6, 2014

Board of Supervisors
Harmony Community Development District

Dear Board Members:

The regular meeting of the Board of Supervisors of the Harmony Community Development District held Thursday, May 29, 2014 was recessed and will be continued to **Tuesday, June 10, 2014 at 6:00 p.m.** at the Harmony Golf Preserve Clubhouse located at 7251 Five Oaks Drive, Harmony, Florida. Following is the advance agenda for the meeting:

1. **Call to Order**
2. **Roll Call**
3. **Audience Comments**
4. **Discussion of Bond Refinancing**
5. **Other Business**
6. **Supervisor Comments**
7. **Adjournment**

I look forward to seeing you at the meeting. In the meantime, if you have any questions, please contact me.

Sincerely,


Gary L. Moyer/js
District Manager

District Office:
610 Sycamore Street, Suite 140
Celebration, FL 34747
407-566-1935

www.harmonyccd.org

Meeting Location:
Harmony Golf Preserve Clubhouse
7251 Five Oaks Drive
Harmony, Florida 34773
407-891-1616

Fourth Order of Business

§ _____
**HARMONY COMMUNITY DEVELOPMENT DISTRICT
(OSCEOLA COUNTY, FLORIDA)
CAPITAL IMPROVEMENT REVENUE REFUNDING BONDS, SERIES 2014**

BOND PURCHASE AGREEMENT

_____, 2014

Board of Supervisors
Harmony Community Development District
Osceola County, Florida

Ladies and Gentlemen:

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expire at 10:00 P.M. prevailing time within the jurisdiction of the District on the date hereof, unless previously withdrawn or extended in writing by the Underwriter.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

1. **Purchase and Sale.** Upon the terms and conditions and upon the basis of the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the District and the District hereby agrees to sell and deliver to the Underwriter, all (but not less than all) of its \$ _____ aggregate principal amount of Harmony Community Development District (Osceola County, Florida) Capital Improvement Revenue Refunding Bonds, Series 2014 (the "2014 Bonds"). The 2014 Bonds shall be dated their date of delivery and shall mature on the dates, shall bear interest at the rates, and shall be subject to redemption prior to maturity, all as provided in Exhibit B attached hereto. The purchase price for the 2014 Bonds shall be \$ _____ (representing the \$ _____ aggregate principal amount of the 2014 Bonds less [net original issue discount of \$ _____ and] an underwriter's discount of \$ _____) (such payment and delivery and the other actions contemplated hereby to take place at the time of such payment and delivery being hereinafter referred to as the "Closing").

2. **The 2014 Bonds.** The 2014 Bonds are to be issued by the District, a local unit of special-purpose government of the State of Florida created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended, any successor statute thereto, the Florida Constitution, and other applicable provisions of law (collectively, the "Act"), and by Ordinance 00-05 of the County, effective as of March 6, 2000 (the "Ordinance"). The 2014 Bonds are being issued pursuant to the Act and secured pursuant to the provisions of a Master Trust Indenture dated as of December 1, 2000 (the "Master Indenture"), as supplemented by a Fifth Supplemental Trust Indenture dated as of _____, 2014 (the "Fifth Supplemental Indenture", and together with the Master Indenture, the "Indenture"), by and between the District and U.S. Bank National Association, as trustee (the "Trustee"), and the Bond Resolution (as defined in the Fifth Supplemental Indenture). The 2001 Assessments comprising the 2014 Pledged Revenues have been levied by the District on a portion of the lands within

the District specially benefited by the 2001 Project pursuant to the Assessment Proceedings (as such term is defined in the Fifth Supplemental Indenture).

3. Limited Offering. It shall be a condition to the District's obligation to sell and to deliver the 2014 Bonds to the Underwriter, and to the Underwriter's obligation to purchase, accept delivery of and pay for the 2014 Bonds, that the entire principal amount of the 2014 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 as to the initial offering prices or yields of the 2014 Bonds.

4. Use of Documents. Prior to the date hereof, the District has provided to the Underwriter the Preliminary Limited Offering Memorandum dated June __, 2014 (the "Preliminary Limited Offering Memorandum") of the District relating to the 2014 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") in connection with the limited offering of the 2014 Bonds. The Underwriter has reviewed the Preliminary Limited Offering Memorandum prior to the execution of this Purchase Agreement. The District hereby ratifies and approves the use of the Preliminary Limited Offering Memorandum by the Underwriter. 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 the Closing Date (as defined below) and in sufficient time to accompany any confirmation that requests payment from any customer such number of copies of the Limited Offering Memorandum (as defined below) as the Underwriter shall reasonably request to comply with the requirements of Rule 15c2-12 and all applicable rules of the Municipal Securities Rulemaking Board (the "MSRB"). The Preliminary Limited Offering Memorandum changed to reflect the final terms and provisions of the 2014 Bonds, together with such amendments and supplements as shall be approved by the District and agreed to by the Underwriter in final printed form is herein referred to as the "Limited Offering Memorandum." The Preliminary Limited Offering Memorandum and the Limited Offering Memorandum are sometimes collectively referred to herein as 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 2014 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 authorizes the use by the Underwriter of the Limited Offering Memoranda with respect to the 2014 Bonds.

5. Definitions. For purposes hereof, this Purchase Agreement, the Indenture, the 2014 Bonds, the Continuing Disclosure Agreement to be dated on or about _____, 2014, by and between the District, Birchwood Acres Limited Partnership, LLLP, a Florida limited liability limited partnership (the "Developer"), and Digital Assurance Certification L.L.C., as the initial Dissemination Agent thereunder, and agreed to and acknowledged by the Trustee in substantially the form attached to the Limited Offering Memorandum as Appendix E thereto (the "Disclosure Agreement"), the DTC Blanket Issuer Letter of Representations entered into by the District, and [insert remaining financing documents] are referred to herein collectively as the "Financing Documents".

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

(a) The Board is the governing body of the District and the District is and will be on the Closing Date duly organized and validly existing as a unit of special-purpose government created pursuant to the Constitution and laws of the State of Florida, including the Act;

(b) The District has full legal right, power and authority to: (i) adopt the Bond Resolution and the Assessment Resolutions; (ii) enter into the Financing Documents to which it is a party; (iii) sell, issue and deliver the 2014 Bonds to the Underwriter as provided herein; (iv) apply the proceeds of the sale of the 2014 Bonds for the purposes described in the Limited Offering Memoranda; (v) acknowledge the use of the Limited Offering Memoranda and authorize the execution of the Limited Offering Memorandum; and (vi) carry out and consummate the transactions contemplated by the Bond Resolution, the Assessment Resolutions, the Financing Documents, the Intergovernmental Cooperation Agreement previously entered into between the District and the County regarding the levy and collection of the 2001 Assessments using the uniform method for the collection of non ad valorem assessments pursuant to Section 197.3632, Florida Statutes, as amended (the "Collection Agreement"), and the Limited Offering Memoranda. The District has complied, and on the Closing Date will be in compliance in all material respects, with the terms of the Act and with the obligations on its part contained in the Bond Resolution, the Assessment Resolutions, the Collection Agreement, the Financing Documents to which it is a party and the 2014 Bonds;

(c) At meetings of the Board that were duly called and noticed and at which a quorum was present and acting throughout, the Board duly adopted the Bond Resolution and the Assessment Resolutions, and 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 execution and delivery of the Financing Documents, the 2014 Bonds and the Limited Offering Memoranda, has duly authorized and approved the performance by the District of the obligations on its part contained in the Financing Documents, and the 2014 Bonds and the consummation by it of all other transactions contemplated by this Purchase Agreement and the Limited Offering Memoranda in connection with the issuance of the 2014 Bonds. Upon execution and delivery by the District and the Trustee (and assuming the due authorization, execution and delivery of the Indenture by the Trustee), the Indenture will constitute a legal, valid and binding obligation of the District, enforceable in accordance with its terms, subject only to applicable bankruptcy, insolvency, and similar laws affecting creditors' rights and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law). Upon execution by the District and the other parties thereto (and assuming the due authorization, execution and delivery of such agreements by the other parties thereto) the Financing Documents will constitute the legal, valid and binding obligations of the District, enforceable in accordance with their 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) Except as disclosed in the Preliminary Limited Offering Memorandum, 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 of Florida (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 2014 Bonds, the Financing Documents and the Limited Offering Memoranda and the adoption of the Bond Resolution and the Assessment Resolutions, and compliance with the provisions on the District's part contained therein, will not conflict with or constitute a material breach of or material default under any applicable constitutional provision,

or law, or, to the best of its knowledge, any administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement, or other instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, nor will any such execution, delivery, adoption, or compliance result in the creation or imposition of any lien, charge, or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the District or under the terms of any such law, regulation or instrument, except as provided by the 2014 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 2014 Bonds or the Financing Documents;

(e) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matters which 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 2014 Bonds, or under the 2014 Bonds, the Bond Resolution, the Assessment Resolutions or the Financing Documents have been duly obtained, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the 2014 Bonds (as to which no representations or warranties are made);

(f) The descriptions of the 2014 Bonds, the Financing Documents, the Collection Agreement and the 2001 Project in the Limited Offering Memorandum conform in all material respects to the 2014 Bonds, the Financing Documents, the Collection Agreement and the 2001 Project, respectively;

(g) The 2014 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 2014 Bonds, the Indenture will provide, for the benefit of the holders from time to time of the 2014 Bonds, a legally valid and binding pledge of and first lien on the 2014 Pledged Revenues. On the Closing Date, all conditions precedent to the issuance of the 2014 Bonds set forth in the Indenture will have been complied with or fulfilled;

(h) Except as may be disclosed in the Preliminary Limited Offering Memorandum, 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 2014 Bonds or the application of the proceeds of the sale thereof for the purposes described in the Limited Offering Memoranda or the collection of 2001 Assessments or the pledge of and lien on the 2014 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 2014 Bonds, or the authorization of the 2001 Project, the Bond Resolution, the Assessment Resolutions, the Financing Documents to which the District is a party, or the application of the proceeds of the 2014 Bonds for the purposes set forth in the Limited Offering Memoranda; (iv) contesting the federal tax status of the 2014 Bonds; or (v) contesting the completeness or accuracy of the Limited Offering Memoranda or any supplement or amendment thereto;

(i) To the extent applicable, the District will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order to: (i) qualify the 2014 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 2014 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 2014 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 2014 BONDS – Book-Entry System," "THE DISTRICT – The District Manager and Other Consultants," "TAX MATTERS," "SUITABILITY FOR INVESTMENT," and "UNDERWRITING;"

(k) If the Limited Offering Memorandum is supplemented or amended pursuant to subsection (1) of this Section 6, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto up to and including the Closing Date, the Limited Offering Memorandum as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that no representation is made concerning information contained in the Limited Offering Memoranda under the captions "DESCRIPTION OF THE 2014 BONDS – Book-Entry System," "THE DISTRICT – The District Manager and Other Consultants," "TAX MATTERS," "SUITABILITY FOR INVESTMENT," and "UNDERWRITING;"

(l) If between the date of this Purchase Agreement and the earlier of (i) ninety (90) days from the end of the "Underwriting Period" as defined in Rule 15c2-12, or (ii) the time when the Limited Offering Memorandum is available to any person from the 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 Preliminary Limited Offering Memorandum, and the District has not incurred liabilities that would materially adversely affect its ability to perform its obligations under the Bond Resolution, the Assessment Resolutions, the 2014 Bonds or the Financing Documents, direct or contingent, other than as set forth in or contemplated by the Preliminary Limited Offering Memorandum;

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

(o) Except as disclosed in the 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 Rule 15c2-12;

(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 Agreement through the Closing Date, the District will not issue any bonds, notes or other obligations payable from the 2014 Pledged Revenues.

7. **Closing.** At 10:00 a.m. prevailing time on _____, 2014 (the "Closing Date") or at such earlier or 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 2014 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 2014 Bonds as set forth in Section 1 hereof, in federal or other immediately available funds to the order of the District. Delivery of the 2014 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 2014 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 Agreement 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 Agreement to purchase, to accept delivery of and to pay for the 2014 Bonds are conditioned upon the performance by the District of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing Date, and are also subject to the following additional conditions:

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

(b) At the time of the Closing, the Bond Resolution, the Assessment Resolutions, the 2014 Bonds, the Financing Documents and the Collection Agreement shall each be in full force and effect in accordance with their respective terms and the Bond Resolution, the Assessment Resolutions, the Collection Agreement, the Indenture and the Limited Offering Memorandum shall not have been supplemented, amended, modified or repealed, except in any such case as may have been agreed to by the Underwriter;

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

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

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

(3) Fully executed copies of each of the Financing Documents and the Collection Agreement in form and substance acceptable to the Underwriter and Underwriter's Counsel;

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

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

(6) The opinion, dated as of the Closing Date and addressed to the District and the Underwriter of Young van Assenderp, P.A., counsel to the District, in the form annexed as Exhibit D hereto or otherwise in form acceptable to the Underwriter;

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

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

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

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

- (11) A certified 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) the District has never been in default as to principal or interest with respect to any obligation issued or guaranteed by the District except as disclosed in the Limited Offering Memoranda; (iv) the District agrees to take all reasonable action necessary to use the Uniform Method as the means of collecting the 2001 Assessments as described in the Indenture; and (v) the Limited Offering Memoranda (other than the information under the captions "DESCRIPTION OF THE 2014 BONDS – Book-Entry System," "THE DISTRICT – The District Manager and Other Consultants," "TAX MATTERS," "SUITABILITY FOR INVESTMENT," 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 statements of a material fact or omit to state a material fact which should be included therein for the purposes for which the Limited Offering Memoranda 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;
- (14) Evidence of compliance by the District with the requirements of Section 189.4085, Florida Statutes;
- (15) Executed copies of the District's certification as to arbitrage and other matters relative to the tax status of the 2014 Bonds under Section 148 of the Internal Revenue Code of 1986, as amended;
- (16) Executed copy of Internal Revenue Service Form 8038-G relating to the 2014 Bonds;
- (17) A certificate of the District Manager and Allocation Provider, dated as of the Closing Date, in substantially the form annexed as Exhibit G hereto;
- (18) A certificate of the District's consulting engineer, dated as of the Closing Date, in substantially the form annexed as Exhibit H hereto;
- (19) Such additional documents as may be required by the Indenture to be delivered as a condition precedent to the issuance of the 2014 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 of the Ninth Judicial Circuit in and for Osceola County, Florida, rendered on August 4, 2000 validating the Refunded Bonds and the certificate of no-appeal;

(22) A copy of the [insert name of Engineer's Report] and all amendments thereto;

(23) A copy of the Final Assessment Allocation Report relating to the 2014 Bonds;

(24) A certificate of the Dissemination Agent (i) acknowledging its agreement to serve as the initial Dissemination Agent for the District and undertake the obligations of the Dissemination Agent as set forth in the Continuing Disclosure Agreement and (ii) representing that the Dissemination Agent is aware of the continuing disclosure requirements set forth in the Continuing Disclosure Agreement and Rule 15c2-12, and that it has never failed to comply with its dissemination agent obligations set forth in any continuing disclosure agreement or certificate entered into for purposes of ensuring an underwriter's compliance with Rule 15c2-12; and

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

If the District shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase (unless waived by the Underwriter in its sole discretion), to accept delivery of and to pay for the 2014 Bonds contained in this Purchase Agreement, or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the 2014 Bonds shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement 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 Agreement to purchase, to accept delivery of and to pay for the 2014 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 2014 Bonds, which may have the purpose or effect, directly or indirectly, of materially and adversely affecting the tax status of the District, its property or income, its securities (including the 2014 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 2014 Bonds, or the market price generally of obligations of the general character of the 2014 Bonds; (ii) the District has, without the prior written consent of the Underwriter, offered or issued any bonds, notes or other obligations for borrowed money, or incurred any material liabilities, direct or contingent, or there has been an adverse change of a material nature in the financial position, results of operations or condition, financial or otherwise, of the District, other than in the ordinary course of its business; (iii) any event shall have occurred or shall exist which, in the reasonable opinion of the Underwriter, would or might cause the information contained in the Preliminary Limited Offering Memorandum, as then supplemented or amended, to contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; or (iv) the District fails to adopt the Assessment Resolutions or fails to perform any action to be performed by it in connection with the levy of the 2001 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 of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and any supplements thereto, together with a reasonable number of copies which the Underwriter may request; (iii) the cost of registering the 2014 Bonds in the name of Cede & Co., as nominee of DTC, which will act as securities depository for such 2014 Bonds; and (iv) the fees and disbursements of counsel to the District, the District Manager, the Dissemination Agent, Bond Counsel, Underwriter's Counsel, the District's methodology consultant, the Consulting Engineer, and any other experts or consultants retained by the District.

(b) The Underwriter agrees to pay all advertising expenses in connection with the 2014 Bonds, if any.

11. No Advisory or Fiduciary Role. The District acknowledges and agrees that (i) the purchase and sale of the 2014 Bonds pursuant to this Agreement is an arm's-length commercial transaction between the District and the Underwriter, (ii) in connection with such transaction and with the discussions, undertakings and procedures leading up to such transaction, the Underwriter is and has been acting solely as a principal and not as an advisor (including, without limitation, a Municipal Advisor (as such term is defined in Section 975(e) of the Dodd Frank Wall Street Reform and Consumer Protection Act)), agent or fiduciary of the District, (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the District with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has provided any services or is currently providing other services to the District on other matters) or any other obligation to the District, and the Underwriter has no obligation to the District with respect to the offering contemplated hereby except the obligations expressly set forth in this Agreement, (iv) the Issuer has consulted its own legal, financial and other advisors to the extent it has deemed appropriate in connection with the offering of the 2014 Bonds and (v) the Underwriter has financial and other interests that differ from those of the Issuer.

12. Notices. Any notice or other communication to be given to the District under this Purchase Agreement may be given by delivering the same in writing to the District Manager at Moyer Management Group, Inc., 610 Sycamore Street, Suite 140, Celebration, Florida 33747, with a copy to Young van Assenderp, P.A., 215 South Monroe Street, Suite 802, Tallahassee, Florida, 32302 Attention: Timothy R. Qualls, and any notice or other communication to be given to the Underwriter under this Purchase Agreement 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 Agreement 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 Agreement shall remain operative and in full force and effect, regardless of: (i) any investigations made by or on behalf of the Underwriter and (ii) delivery of and payment for the 2014 Bonds pursuant to this Purchase Agreement.

14. Effectiveness. This Purchase Agreement 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 Agreement and any prior contract between the parties hereto, the provisions of this Purchase Agreement shall govern.

15. Headings. The headings of the sections of this Purchase Agreement 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 Agreement 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 Agreement shall be governed and construed in accordance with the laws of the State of Florida.

18. Counterparts; Facsimile. This Purchase Agreement 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 _____, 2014.

HARMONY COMMUNITY DEVELOPMENT DISTRICT

By: _____
Steve Berube,
Chairperson, Board of Supervisors

EXHIBIT A

DISCLOSURE AND TRUTH-IN-BONDING STATEMENT

_____, 2014

Harmony Community Development District
Osceola County, Florida

Re: \$_____ Harmony Community Development District Capital Improvement Revenue
Refunding Bonds, Series 2014

Dear Ladies and Gentlemen:

Pursuant to Chapter 218.385, Florida Statutes, and with respect to the issuance of the above-referenced bonds (the "2014 Bonds"), FMSbonds, Inc. (the "Underwriter"), having purchased the 2014 Bonds pursuant to a Bond Purchase Agreement dated _____, 2014 (the "Bond Purchase Agreement"), between the Underwriter and Harmony Community Development District (the "District"), furnishes the following information in connection with the limited offering and sale of the 2014 Bonds:

1. The total underwriting discount paid to the Underwriter pursuant to the Bond Purchase Agreement 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 2014 Bonds.
3. The nature and estimated amounts of expenses to be incurred by the Underwriter in connection with the issuance of the 2014 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 2014 Bonds to any person not regularly employed or retained by the Underwriter in connection with the 2014 Bonds to any person not regularly employed or retained by the Underwriter is as follows: None. GrayRobinson, P.A. has been retained as counsel to the Underwriter and will be compensated by the District.
5. Pursuant to the provisions of Sections 218.385(2) and (3), Florida Statutes, as amended, the following truth-in-bonding statements are made with respect to the 2014 Bonds.

The District is proposing to issue \$_____ aggregate amount of the 2014 Bonds for the purpose of providing moneys, together with other legally available monies of the District, to: (i) defease all of the District's outstanding Capital Improvement Revenue Bonds, Series 2001 (Special Assessments") (the "2001 Bonds" or the "Refunded Bonds"), (ii) pay certain costs associated with the issuance of the 2014 Bonds, and (iii) make a deposit into the 2014 Reserve Account for the benefit of all of the 2014 Bonds. This debt or obligation is expected to be repaid over a period of approximately _____ (__) years. At the interest rates set out in Exhibit B to this Purchase Agreement, total interest paid over the life of the 2014 Bonds will be \$_____.

The source of repayment for the 2014 Bonds is the 2001 Assessments imposed and collected by the District. Based solely upon the assumptions set forth in the paragraph above, the issuance of the 2014 Bonds will result in approximately \$_____ (representing the average annual debt service payments

due on the 2014 Bonds) 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 2014 Bonds were not issued, the District would not be entitled to impose and collect the 2001 Assessments in the amount of the principal of and interest to be paid on the 2014 Bonds.

The address of the Underwriter is:

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

Sincerely,

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

SCHEDULE I

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

EXHIBIT B

TERMS OF 2014 BONDS

1. **Purchase Price:** \$ _____

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

<u>Amounts</u>	<u>Rates</u>	<u>Maturity Dates</u> <u>(May 1)</u>	<u>Prices</u>
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3. **Redemption Provisions:**

Optional Redemption

The 2014 Bonds maturing on or before May 1, 2024 are not subject to redemption at the option of the District. The 2014 Bonds maturing on or after May 1, 2025 are subject to redemption in whole or in part at the option of the District prior to maturity on May 1, 2024 and any date thereafter at the Redemption Price of 100% of the principal amount to be redeemed plus accrued interest to the redemption date.

Mandatory Redemption

The 2014 Bonds maturing on May 1, ____ are subject to mandatory redemption in part by the District lot prior to its scheduled maturity from moneys in the 2014 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable amortization installments at a redemption price of 100% of the principal amount thereof, without premium, plus accrued interest to the Redemption Date, on May 1 of the years and in the principal amounts set forth below.

<u>Year</u>	<u>Principal Amount</u>
-------------	-------------------------

*

*Maturity

The 2014 Bonds maturing on May 1, ____ are subject to mandatory redemption in part by the District lot prior to its scheduled maturity from moneys in the 2014 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable amortization installments at a redemption price of 100% of the principal amount thereof, without premium, plus accrued interest to the Redemption Date, on May 1 of the years and in the principal amounts set forth below.

Year

Principal Amount

*

*Maturity

Upon redemption or purchase of a 2014 Bond (other than redemption in accordance with scheduled Amortization Installments), the District shall cause to be recalculated and delivered to the Trustee a revised schedule of Amortization Installments recalculated so that Debt Service on the 2014 Bonds is amortized in substantially equal annual installments of principal and interest (subject to rounding to authorized denominations of principal) over the remaining term of the 2014 Bonds. The annual principal amounts so determined are hereinafter referred to as the "Aggregate Amortization Installments." The amortization installments as so recalculated shall not result in an increase in the principal or Aggregate Amortization Installments in any one year.

Extraordinary Mandatory Redemption

The 2014 Bonds are subject to extraordinary mandatory redemption prior to scheduled maturity, in whole on any date or in part on any Interest Payment Date, and if in part by lot in the manner determined by the Bond Registrar and as otherwise provided in the Indenture, at the redemption price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, (i) if and to the extent that moneys are transferred to the Prepayment Account following the prepayment of 2001 Assessments and, (ii) when the amount on deposit in the 2014 Reserve Account, together with other moneys available therefor, are sufficient to pay and redeem all 2014 Bonds then Outstanding as provided in the Supplemental Indenture.

Except as otherwise provided in the Indenture, if less than all of the 2014 Bonds subject to redemption shall be called for redemption, the particular such 2014 Bonds or portions of such 2014 Bonds to be redeemed shall be selected by lot by the Registrar as provided in the Indenture.

Notice of each redemption of 2014 Bonds is required to be mailed by the Bond Registrar, postage prepaid, not less than thirty (30) nor more than forty-five (45) days prior to the redemption date to each Registered Holder of 2014 Bonds to be redeemed at the address of such Registered Holder recorded on the bond register maintained by the Bond Registrar. On the date designated for redemption, notice having been given and money for the payment of the redemption price being held by the Paying Agent, all as provided in the Indenture, the 2014 Bonds or such portions thereof so called for redemption shall become and be due and payable at the redemption price provided for the redemption of such 2014 Bonds or such portions thereof on such date, interest on such 2014 Bonds or such portions thereof so called for

redemption shall cease to accrue, such 2014 Bonds or such portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Indenture and the Holders thereof shall have no rights in respect of such 2014 Bonds or such portions thereof so called for redemption except to receive payments of the redemption price thereof so held by the Paying Agent. Further notice of redemption shall be given by the Bond Registrar to certain registered securities depositories and information services as set forth in the Indenture, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

EXHIBIT C

BOND COUNSEL'S SUPPLEMENTAL OPINION

_____, 2014

Harmony Community Development District
Osceola County, Florida

FMSbonds, Inc.
North Miami Beach, Florida

Re: \$_____ Harmony Community Development District Capital Improvement Revenue
Refunding Bonds, Series 2014

Ladies and Gentlemen:

We have acted as Bond Counsel to the Harmony 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 Harmony Community Development District Capital Improvement Revenue Refunding Bonds, Series 2014 (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, 2000, as supplemented and amended by that certain Fifth Supplemental Trust Indenture, dated as of _____ 1, 2014 by and between the District and U.S. Bank National Association, as trustee (the "Trustee").

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

The District has entered into a Bond Purchase Agreement dated _____, 2014 (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 Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

2. The information in the Limited Offering Memorandum under the captions "INTRODUCTION", "PLAN OF REFUNDING", "DESCRIPTION OF THE 2014 BONDS", "SECURITY FOR AND SOURCE OF PAYMENT AND SECURITY OF THE 2014 BONDS" and "APPENDIX B – COPY OF MASTER TRUST INDENTURE AND FORM OF FIFTH SUPPLEMENTAL TRUST INDENTURE" insofar as such statements constitute descriptions of the Bonds or the Indenture, are accurate as to the matters set forth or documents described therein and the information under the captions "TAX MATTERS", and "AGREEMENT BY THE STATE" insofar as such information purports to describe or summarize certain provisions of the laws of the State of Florida

(the "State"), the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and the court proceedings for validation of the Bonds are accurate.

3. In reliance on the report of Causey Demgen Moore P.C. of even date, the lien of the Refunded Bonds (as defined in the Indenture) on the 2014 Pledged Revenues and the funds and accounts pledged thereto has been defeased and discharged.

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

Very truly yours,

EXHIBIT D

ISSUER'S COUNSEL'S OPINION

_____, 2014

Harmony Community Development District
Osceola County, Florida

FMSbonds, Inc.
North Miami Beach, Florida

U.S. Bank National Association
Orlando, Florida

GrayRobinson, P.A.
Tampa, Florida

Re: \$ _____ Harmony Community Development District (Osceola County, Florida)
Capital Improvement Revenue Refunding Bonds, Series 2014

Ladies and Gentlemen:

We serve as counsel to the Harmony Community Development District (the "District"), a community development district established pursuant to the laws of the State of Florida, in connection with the sale by the District of its Capital Improvement Revenue Refunding Bonds, Series 2014, in the aggregate principal amount of \$ _____ (the "Series 2014 Bonds"). Unless otherwise expressly defined herein, capitalized terms used herein have the respective meanings assigned to them in the Bond Purchase Agreement, dated _____, 2014 (the "Contract of Purchase") between the District and FMSbonds, Inc. (the "Underwriter").

In our capacity as counsel to the District, we have examined Resolution No. 2014-__ adopted by the District on _____, 2014 (the "Bond Resolution"), [Financial Advisor's Report] for the Series 2001 Bonds dated October 24, 2000, as supplemented (the "Original Methodology Report"), and in the [Preliminary Special Assessment Methodology Report Refunding of Series 2001 Bonds for 2014 Bonds] dated _____, 2014 (the "Preliminary Allocation Report" and, together with the Original Methodology Report, collectively, the "Assessment Methodology Report"), the resolutions adopted as part of the assessment proceedings (collectively, the "Assessment Resolutions"), an opinion of counsel to Trustee, the opinions of Bond Counsel, the Final Judgment Validating Bonds, reports of the District Manager, the Consulting Engineer and District Financial Consultant and such other documents as we have deemed necessary or appropriate in rendering the opinions set forth below.

We have also attended various meetings of the District and have participated in conferences from time to time with representatives of the District, the Underwriter, Bond Counsel, counsel to the Underwriter, the District Manager and the Consulting Engineer relative to the Preliminary Limited Offering Memorandum dated June __, 2014 (the "Preliminary Limited Offering Memorandum") and the Limited Offering Memorandum dated _____, 2014 (the "Limited Offering Memorandum" and, together with the Preliminary Limited Offering Memorandum, the "Limited Offering Memoranda"), and the related documents described below.

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

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

1. Under the Constitution and laws of the State of Florida and based on the validation judgment relating to the District’s bonds and the Ordinance, the District has been duly established and validly exists as a community development district. The District possesses such powers as set forth in the Act to, among other things, finance, acquire and construct the 2001 Project, provide funds therefore through the issuance of the Series 2014 Bonds, to assess, levy and collect the 2001 Assessments, to secure the Series 2014 Bonds as provided in the Indenture and perform under the terms and conditions of the Indenture, the DTC Letter of Representations, the Contract of Purchase, the Continuing Disclosure Certificate, [insert any additional financing documents] and the Collection Agreement (collectively, the “Financing Documents”).

2. The District has authority to (a) adopt the Bond Resolution authorizing the issuance of the Series 2014 Bonds and the execution and delivery of the Contract of Purchase and the Indenture, and to adopt the Assessment Resolutions, (b) execute, deliver and perform its obligations under the Series 2014 Bonds, the Assessment Resolutions, and the Financing Documents, and (c) consummate the transactions contemplated by Series 2014 Bonds and the Financing Documents, and the District has complied with all provisions of applicable law in all matters relating to such transactions required to date.

3. The District has duly authorized the execution, delivery and lawful distribution by the Underwriter of the Limited Offering Memorandum and has duly ratified or authorized the use by the Underwriter of the Preliminary Limited Offering Memorandum in the marketing of the Series 2014 Bonds.

4. The District has duly authorized all necessary action to be taken by it for: (a) the issuance and sale of the Series 2014 Bonds upon the terms set forth in the Contract of Purchase and in the Limited Offering Memoranda; (b) the approval of the Limited Offering Memoranda and the signing of the Limited Offering Memorandum by the Chairman or Vice Chairman of the Board of Supervisors; (c) the execution, delivery and receipt of the Series 2014 Bonds and the Financing Documents, and any and all such other agreements and documents as may be required to be executed, delivered and received by the District in order to carry out, give effect to, and consummate the transactions contemplated by the Indenture, the Series 2014 Bonds, the Assessment Resolutions, the Contract of Purchase and the Bond Resolution; and (d) levying and collection of the 2001 Assessments as described in the Limited Offering Memoranda. Assuming the due authorization, execution and delivery of such documents by any other parties thereto, the Series 2014 Bonds and the Financing Documents constitute legal, valid and binding obligations of the District enforceable in accordance with their respective terms (except as such enforceability may be limited by bankruptcy, insolvency, reorganization and similar laws affecting creditors rights generally and general principles of equity).

5. All proceedings undertaken by the District with respect to the 2001 Assessments have been in accordance with applicable Florida law. The District has duly adopted the Assessment Resolutions. The District has full legal authority to allocate, levy, collect and enforce the 2001

Assessments as set forth in the Limited Offering Memoranda. The Assessment Resolutions have not been amended or repealed and is in full force and effect. The 2001 Assessments are legal, valid and binding liens upon the property against which the 2001 Assessments are made, coequal with the lien of all state, county, municipal and school board taxes, superior in dignity to all other liens, titles and claims against said property, until paid.

6. The Bond Resolution is in full force and has been duly adopted, executed and delivered by the District.

7. The adoption of the Bond Resolution and Assessment Resolutions, the execution and delivery by the District of the Limited Offering Memoranda and the authorization of the distribution thereof by the Underwriter, the execution and delivery by the District of the Series 2014 Bonds, the Financing Documents, and the consummation of the transactions described in all of the foregoing instruments, did not at the time of such adoption, authorization, execution, delivery or distribution, do not on the date hereof and will not at the time of such consummation, conflict with or constitute on the part of the District a breach or violation of the terms and provisions of, or constitute a default under, (a) any existing constitution, laws, court or administrative rule or regulation, to which it is subject, or any decree, order or judgment to which it is a party or by which it is bound in force on the date hereof, or (b) any existing agreement, indenture, mortgage, lease, deed of trust, note or other instrument to which the District is subject or by which it or District-owned properties are bound, and will not 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.

8. Based on inquiry of the District's Registered Agent for service of process and the fact that we have not been served with notice, there is no litigation or other proceeding now pending, or to our knowledge, threatened: (a) seeking to restrain or enjoin the issuance, sale, execution or delivery of the Series 2014 Bonds or the application of the proceeds thereof, (b) contesting or affecting the authority for the 2001 Assessments or the actions of the District assessing, levying and imposing the 2001 Assessments or the issuance of the Series 2014 Bonds or the validity or enforceability of the Series 2014 Bonds, the 2001 Assessments, the Financing Documents, or the transactions contemplated thereunder, (c) contesting the establishment or existence of the District or the Board or the titles of any of its Supervisors, officers or employees, or contesting any of the powers of the District, including its power to enter into the Financing Documents, or its power to determine assess, levy, pledge and collect the 2001 Assessments, (d) specifically contesting or affecting the exclusion from federal gross income of interest on the Series 2014 Bonds, or (e) contesting the completeness or accuracy of the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum.

9. Except as disclosed in the Limited Offering Memoranda, the District is not in default under the terms and provisions of the Indenture or any of the other documents referred to in paragraph 7 hereof. In addition, to the best of our knowledge after limited inquiry and subject to statements in the Limited Offering Memoranda, the District is not in default under any other agreement, indenture, mortgage, lease, deed of trust note or other instrument to which the District is subject or by which it or District-owned properties are or may be bound, which default would have a material adverse effect on the condition of the District, financial or otherwise. To the best of our knowledge, the District is not in violation of any material provision of the Act, constitution, statute or administrative regulation of the State or United States.

10. To the best of our knowledge and in reliance on certificates by the District Engineer, all permits, consents or licenses, and all notices to or filings with governmental authorities necessary for the consummation by the District of the transactions described in the Limited Offering Memoranda and contemplated by the Indenture required to be obtained or made have been obtained or made or there is no

reason to believe they will not be obtained or made when required; provided, however, that no opinion is expressed regarding the status of any land use or environmental permit, license or other similar governmental regulatory approval or as to the applicability of state Blue Sky laws.

11. Based upon our representation of the District as its Counsel and our limited participation in the preparation of the Limited Offering Memoranda, we have no reason to believe that the statements and information contained in the Limited Offering Memoranda under the captions (including all subcaptions thereunder unless hereinafter excluded) "INTRODUCTION," "SECURITY FOR AND SOURCE OF PAYMENT OF THE 2014 BONDS," "ENFORCEMENT OF ASSESSMENT COLLECTIONS," "BONDOWNERS' RISKS," "THE DISTRICT" (excluding the subcaption "The District Manager and Other Consultants"), "THE DEVELOPMENT," "AGREEMENT BY THE STATE," "LITIGATION – The District", "FINANCIAL INFORMATION" "DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS", "CONTINUING DISCLOSURE," "VALIDATION," and "AUTHORIZATION AND APPROVAL" are not true and accurate and as of its date did not, and as of the date of Closing do not, contain any untrue statement of a material fact or 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.

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.

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 any other state or jurisdiction. Nothing herein shall be construed as an opinion regarding the possible applicability of securities or "blue sky" laws, as to which no opinion is expressed. We further express no opinion as to the necessity for an interest rate waiver pursuant to Chapter 218, *Florida Statutes*.

Sincerely,

Young van Assenderp, P.A.

For the Firm

EXHIBIT E

DEVELOPER'S COUNSEL'S OPINION

_____, 2014

Harmony Community Development District
Osceola County, Florida

U.S. Bank National Association
Orlando, Florida

FMSbonds, Inc.
North Miami Beach, Florida

Re: \$ _____ Harmony Community Development District Capital Improvement Revenue
Refunding Bonds, Series 2014 (the "Series 2014 Bonds")

Ladies and Gentlemen:

We are counsel to Birchwood Acres Limited Partnership, LLLP, a Florida limited liability limited partnership (the "Developer"), which is the owner of certain land within the master planned community located in unincorporated Osceola County and commonly referred to as [Harmony] (the "Development"), as both are described in the Limited Offering Memorandum (as hereinafter defined). This opinion is rendered at the request of the Developer in connection with the issuance by the Harmony Community Development District (the "District") of the Series 2014 Bonds as described in the District's Preliminary Limited Offering Memorandum dated June __, 2014 and the District's final Limited Offering Memorandum, dated _____, 2014, including the appendices attached thereto (collectively, the "Limiting Offering Memorandum").

[Insert customary assumptions and qualifications]

In our capacity as counsel to the Developer, we have examined originals or copies identified to our satisfaction as being true copies of the following:

1. The Limiting Offering Memorandum;
2. [Insert financing documents developer is party to];
3. The Certificate of Developer dated _____, 2014;
4. The Continuing Disclosure Agreement by and among the District, and the Dissemination Agent named therein and the Developer dated _____, 2014

(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 [Limited Liability Limited Partnership Agreement dated _____] (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 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.

Finally, we express no opinion herein with respect to (i) the title to, or status of encumbrances on, any real property or personal property, (ii) state or federal tax laws, and (iii) state or federal securities laws.

Based on the forgoing statements, assumptions, and qualifications, we are of the opinion that:

1. The Developer is a limited liability limited partnership 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 Memorandum 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, except as may be limited by (i) bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors generally, and (ii) general principles of equity (regardless of whether considered in a proceeding in equity or at law). The aforesaid opinion as to enforceability of the Documents is also subject to the qualification that certain provisions contained in the Documents may not be enforceable, but (subject to the limitations set forth in the foregoing clauses (i) and (ii)) such unenforceability will not render the Documents invalid as a whole or substantially interfere with the practical realization of the principal benefits and/or security provided thereby, except for the economic consequences resulting from any delay imposed by, or any procedure required by, the applicable laws.

4. Nothing has come to our attention that would lead us to believe the information contained in the Limited Offering Memorandum under the captions ["THE DEVELOPMENT – The Development Order", "THE DEVELOPMENT – Zoning, Permits and Approvals," "THE DEVELOPMENT - The Developer" 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 dates of the Limited Offering Memorandum 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 limited liability limited partnership agreement, (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 Memorandum. Except as otherwise described in the Limited Offering Memorandum, (a) we have no actual knowledge that the Developer has not received all government permits required in connection with the construction and completion of the Development as described in the Limited Offering Memorandum, other than certain permits, which permits are expected to be received as needed, have been received; (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 Memorandum and all appendices thereto; and (c) we have no actual knowledge and are not otherwise aware of any reason to believe that any permits, consents and licenses required to complete the Development as described in the Limited Offering Memorandum will not be obtained in due course as required by the Developer.

7. There is no litigation pending which would prevent or prohibit the development of the Development in accordance with the description thereof in the Limited Offering Memorandum and the Engineer's Report annexed thereto as Appendix C or which may result in any material adverse change in the respective business, properties, assets or financial condition of the Developer.

8. 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.

9. 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 2014 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 and this opinion may not be relied upon in any manner, nor used, by any other persons or entities.

Sincerely,

EXHIBIT F

CERTIFICATE OF BIRCHWOOD ACRES LIMITED PARTNERSHIP, LLLP

BIRCHWOOD ACRES LIMITED PARTNERSHIP, LLLP, a Florida limited liability limited partnership ("Birchwood Acres"), DOES HEREBY CERTIFY, that:

1. This Certificate of Birchwood Acres is furnished pursuant to Section 8(c)(10) of the Bond Purchase Agreement dated _____, 2014 (the "Purchase Contract") between Harmony Community Development District (the "District") and FMSbonds Inc. (the "Underwriter") relating to the sale by the District of its \$ _____ original aggregate principal amount of Harmony Community Development District Capital Improvement Revenue Refunding Bonds, Series 2014 (the "Bonds"). Capitalized terms used, but not defined, herein shall have the meaning assigned thereto in the Purchase Contract.

2. Birchwood Acres is a limited liability limited partnership organized and existing under the laws of the State of Florida.

3. Representatives of Birchwood Acres have provided information to Harmony 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 June __, 2014, and a final Limited Offering Memorandum dated _____2, 2014 (collectively, the "Limited Offering Memoranda").

4. Birchwood Acres has reviewed and approved the information contained in the Limited Offering Memoranda under the captions "THE DEVELOPMENT" and with respect to Birchwood Acres and the Development (as defined in the Limited Offering Memoranda) under the captions "BONDOWNERS' RISKS" and "LITIGATION – The Developer" and warrants and represents that such information did not as of their respective dates, and does not as of the date hereof, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. In addition, Birchwood Acres 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.

5. Birchwood Acres represents and warrants that it has complied with and will continue to comply with Chapter 190.048, Florida Statutes, as amended.

6. As of the date hereof, there has been no material adverse change in the business, properties, assets or financial condition of Birchwood Acres which has not been disclosed in the Limited Offering Memoranda or in the other information provided in writing by Birchwood Acres to the Underwriter.

7. Birchwood Acres is not insolvent and 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. Birchwood Acres 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.

8. To the best of our knowledge, Birchwood Acres is not in default under any resolution, ordinance, agreement or indenture, mortgage, lease, deed of trust, note or other instrument to which Birchwood Acres is subject or by which Birchwood Acres 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 or on the Development and is not delinquent in the payment of any ad valorem, federal or state taxes associated with the Development.

9. 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 Birchwood Acres (or any basis therefor) (a) seeking to restrain or enjoin the execution or delivery of Financing Documents to which Birchwood Acres is a party, (b) contesting or affecting the validity or enforceability of the Financing 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 Birchwood Acres, or of Birchwood Acres's business, assets, property or conditions, financial or otherwise, or contesting or affecting any of the powers of Birchwood Acres.

10. To the best of our knowledge after due inquiry, Birchwood Acres 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, without limitation, 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) Birchwood Acres is not aware of any default of any zoning condition, permit or development agreement which would adversely affect Birchwood Acres'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.

11. Except as may be disclosed in the Limited Offering Memoranda, Birchwood Acres has not knowingly failed to timely comply with its continuing disclosure obligations as required in a continuing disclosure agreement in any material respects that resulted in the filing of a material event notice for any continuing disclosure agreements 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 15c2-12 of the Securities and Exchange Commission.

12. Birchwood Acres is not in default of any obligations to pay special assessments levied by the District, except as may be disclosed in the Limited Offering Memoranda.

Dated: _____, 2014.

BIRCHWOOD ACRES LIMITED
PARTNERSHIP, LLLP, a Florida limited
liability limited partnership

By: _____
Name: _____
Title: _____

EXHIBIT G

CERTIFICATE OF DISTRICT MANAGER AND ALLOCATION PROVIDER

_____, 2014

Harmony Community Development District
Osceola County, Florida

FMSbonds Inc.
North Miami Beach, Florida

Re: \$ _____ Harmony Community Development District Capital Improvement Revenue
Refunding Bonds, Series 2014

Ladies and Gentlemen:

The undersigned representative of Moyer Management Group, Inc. (the "Company"), DOES
HEREBY CERTIFY:

1. This certificate is furnished pursuant to Section 8(c)(17) of the Bond Purchase Agreement dated _____, 2014 (the "Purchase Agreement"), by and between Harmony Community Development District (the "District") and FMSbonds, Inc. with respect to the \$ _____ Harmony Community Development District Capital Improvement Revenue Refunding Bonds, Series 2014 (the "Bonds"). Capitalized terms used, but not defined, herein shall have the meaning assigned thereto in the Purchase Agreement or the Limited Offering Memorandum dated _____, 2014 relating to the Bonds, as applicable.

2. The Company has acted as district manager and allocation provider to the Harmony 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 Preliminary Limited Offering Memorandum dated June __, 2014 and the final Limited Offering Memorandum dated _____, 2014, related to the Bonds (collectively, the "Limited Offering Memoranda").

3. 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, or any information provided by us, 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.

4. The information set forth in the Limited Offering Memoranda under the subcaptions "THE PROJECT", "THE DISTRICT – General Information", "THE DISTRICT – Board of Supervisors", "THE DISTRICT – The District Manager and Other Consultants", "THE DISTRICT – Outstanding Bond Debt", "THE DEVELOPMENT", "ASSESSMENT METHODOLOGY", "LITIGATION – The District", "FINANCIAL INFORMATION", "DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS", "CONTINUING DISCLOSURE" and in "APPENDIX D - ASSESSMENT METHODOLOGY REPORT" and in "APPENDIX F – DISTRICT'S FINANCIAL STATEMENTS" did not as of the date of the Limited Offering Memorandum 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.

5. In connection with the issuance of the Bonds, we have been retained by the District to prepare the [Special Assessment Methodology Report Refunding of Series 2001 Bonds for Series 2014 Bonds] dated _____, 2014, including the special assessment tax roll included as part thereof (collectively, 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.

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

8. The 2001 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 2001 Assessments, are sufficient to enable the District to pay the debt service on the Bonds through the final maturity thereof.

Dated: _____, 2014.

MOYER MANAGEMENT GROUP, INC., a
Florida corporation

By: _____
Name: _____
Title: _____

EXHIBIT H

CERTIFICATE OF CONSULTING ENGINEER

CERTIFICATE OF BOYD CIVIL ENGINEERING, INC. (the "Engineers"), DOES HEREBY CERTIFY, that:

1. This certificate is furnished pursuant to Section 8(c)(18) of the Bond Purchase Agreement dated _____, 2014 (the "Purchase Agreement"), by and between Harmony Community Development District (the "District") and FMSbonds, Inc. with respect to the \$ _____ Harmony Community Development District Capital Improvement Revenue Refunding Bonds, Series 2014 (the "Bonds"). Capitalized terms used, but not defined, herein shall have the meaning assigned thereto in the Purchase Agreement or the Preliminary Limited Offering Memorandum dated June __, 2014 (the "Preliminary Limited Offering Memorandum") and the Limited Offering Memorandum dated _____, 2014 (the "Limited Offering Memorandum" and, together with the Preliminary Limited Offering Memorandum, the "Limited Offering Memoranda"), as applicable.

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

3. The plans and specifications for the 2001 Project (as described in the Limited Offering Memorandum) 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 2001 Project were obtained.

4. The Engineers prepared reports entitled [Insert Engineer's Report], as amended (the "Report"). The Report was prepared in accordance with generally accepted engineering principles. The Report is included as "APPENDIX A – ENGINEER'S REPORT" to the Limited Offering Memoranda and a description of the Report and certain other information relating to the 2001 Project are included in the Limited Offering Memoranda under the captions "THE DEVELOPMENT." The Report and said information are true and complete in all material respects, contain no untrue statement of a material fact, and do not omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

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

6. The portion of the 2001 Project improvements that have been constructed were constructed in sound workmanlike manner and in accordance with industry standards.

7. The prices paid by the District for acquisition of the improvements included within the 2001 Project did not exceed the lesser of the cost of the 2001 Project or the fair market value of the assets acquired by the District.

8. Except as otherwise described in the Limited Offering Memoranda, (a) all government permits required in connection with the construction of the 2001 Project and the Development as described in the Limited Offering Memoranda have been received; (b) we are not aware of the any default of any zoning condition, land use permit or development agreement which would adversely affect the ability to complete construction of the 2001 Project and the development of the Development as described in the Limited Offering Memoranda and all appendices thereto; and (c) we have no actual knowledge and are not otherwise aware of any reason to believe that any permits, consents and licenses required to

complete the 2001 Project and the Development as described in the Limited Offering Memoranda will not be obtained in due course as required or necessary for the construction of the 2001 Project and the development of the Development as described in the Limited Offering Memoranda and all appendices thereto.

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

Date: _____, 2014

BOYD CIVIL ENGINEERING, INC.

By: _____
Print Name: _____
Title: _____

the 1990s, the number of people in the UK who are aged 65 and over has increased from 10.5 million to 13.5 million (13.5% of the population).

There is a need to understand the needs of older people, and to ensure that the health care system is able to meet these needs. This paper reports on a study that was carried out to explore the needs of older people in the UK, and to identify the factors that influence these needs.

The study was carried out in the UK, and was part of a larger project that was funded by the Department of Health. The project was entitled 'The Needs of Older People in the UK'.

The study was carried out in three phases. The first phase was a literature review, which identified the key issues that were raised in the literature.

The second phase was a series of focus group discussions, which were held with older people, their carers, and health care professionals.

The third phase was a series of interviews, which were held with older people, their carers, and health care professionals.

The results of the study are reported in this paper. The findings are discussed in terms of the needs of older people, and the factors that influence these needs.

The study found that older people have a range of needs, and that these needs are influenced by a number of factors. The needs of older people are discussed in terms of physical, mental, and social needs.

The factors that influence the needs of older people are discussed in terms of age, gender, and social class. The findings of the study are discussed in terms of the implications for health care practice.

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The factors that influence the needs of older people are discussed in terms of age, gender, and social class. The findings of the study are discussed in terms of the implications for health care practice.

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Disclosure Agreement") dated _____, 2014 is executed and delivered by the Harmony Community Development District (the "Issuer" or the "District"), Birchwood Acres Limited Partnership, LLLP, a Florida limited liability limited partnership (the "Primary Landowner"), and Digital Assurance Certification L.L.C., as dissemination agent (together with its successors and assigns, the "Dissemination Agent") in connection with Issuer's Capital Improvement Revenue Refunding Bonds, Series 2014 (the "Bonds"). The Bonds are secured pursuant to a Master Trust Indenture dated as of December 1, 2000 and a Fifth Supplemental Trust Indenture dated as of _____ 1, 2014 (collectively, the "Indenture"), each entered into by and between the Issuer 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 Orlando, Florida, as trustee (the "Trustee"). The Issuer, the Primary Landowner and the Dissemination Agent covenant and agree as follows:

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

The provisions of this Disclosure Agreement are supplemental and in addition to the provisions of the Indenture with respect to reports, filings and notifications provided for therein, and do not in any way relieve the Issuer, 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 Issuer, the Trustee or any other person from making any reports, filings or notifications required by the Indenture or any applicable law.

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

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

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

"Annual Financial Information" means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

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

“Assessment Area” shall mean that portion of the District subject to the Assessments.

“Assessments” shall mean the 2001 Assessments (as defined in the Indenture) pledged to the payment of the Bonds pursuant to the Indenture.

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

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

“Disclosure Representative” shall mean (i) as to the Issuer, the District Manager or its designee, or such other person as the Issuer shall designate in writing to the Dissemination Agent from time to time as the person responsible for providing Information to the Dissemination Agent; and (ii) as to the Primary Landowner, the individual executing this Disclosure Agreement on behalf of the Primary Landowner or such person(s) as the Primary Landowner shall designate in writing to the Dissemination Agent from time to time as the person(s) responsible for providing information to the Dissemination Agent.

“Dissemination Agent” shall mean the Issuer or an entity appointed by the Issuer to act in the capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Issuer pursuant to Section 8 hereof. Digital Assurance Certification L.L.C., has been designated as the initial Dissemination Agent hereunder.

“District Manager” shall mean Moyer Management Group, Inc., and its successors and assigns.

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

“EMMA Compliant Format” shall mean that any document provided to the MSRB which is in an electronic format and is accompanied by identifying information as prescribed by the MSRB.

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

“Limited Offering Memorandum” shall mean that Limited Offering Memorandum dated _____, 2014 prepared in connection with the issuance of the Bonds.

“Listed Events” shall mean any of the events listed in Section 6(a) of this Disclosure Agreement.

“MSRB” means the Municipal Securities Rulemaking Board.

“Obligated Person(s)” shall mean, with respect to 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, which person(s) shall include the Issuer, and for the purposes of this Disclosure Agreement, the Primary Landowner, and its successors or assigns (excluding homebuyers who are end users), for so long as the Primary Landowner or its successors or assigns (excluding homebuyers who are end users) are the owner or optionee of Assessment Area lands responsible for payment of at least 20% of the Assessments.

“Participating Underwriter” shall mean FMSbonds, Inc.

“Quarterly Filing Date” shall mean each February 1, May 1, August 1 and November 1, commencing November 1, 2014.

“Quarterly Report” shall mean any Quarterly Report provided by the Primary Landowner or any other 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 Securities and Exchange Commission from time to time to act as a repository for purposes of complying with the Rule. The Repositories approved by the Securities and Exchange Commission may be found by visiting the Securities and Exchange Commission’s website at <http://www.sec.gov/info/municipal/nrmsir.htm>. As of the date hereof, the Repository recognized by the Securities and Exchange Commission for such purpose is the Municipal Securities Rulemaking Board, which currently accepts continuing disclosure submissions through its EMMA web portal.

“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 been and may be amended from time to time.

“SEC” means the Securities and Exchange Commission.

“State” shall mean the State of Florida.

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

3. **Provision of Annual Reports.**

(a) Subject to the following sentence, the Issuer shall provide the Annual Report to the Dissemination Agent no later than one hundred eighty (180) days after the close of the Issuer’s Fiscal Year (the “Annual Filing Date”), commencing with the Fiscal Year ended

September 30, 2014. 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 up to, but no later than, two hundred seventy (270) days after the close of the Issuer's Fiscal Year. 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. 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 the Dissemination Agent has not received a copy of the Annual Report, 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 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 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 within the times required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Dissemination Agent that a Listed Event as described in Section 6(a)(xv) has occurred and to immediately send a notice to the Repository in substantially the form attached hereto as Exhibit A.

(c) If the Dissemination Agent has not received an Annual Report by 12:00 noon on the first (1st) Business Day following the Annual Filing Date for the Annual Report, 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 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 has been provided pursuant to this Disclosure Agreement and stating the date(s) it was provided.

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

4. **Content of Annual Reports.**

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

- Year.
- (i) The amount of Assessments levied for the most recent prior Fiscal Year.
 - (ii) The amount of Assessments collected from the property owners during the most recent prior 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 the Assessments due in any year, a list of delinquent property owners.
 - (iv) If available, the amount of tax certificates sold, 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 Bonds Outstanding.
 - (vii) The amount of principal and interest to be paid on the Bonds in the current Fiscal Year.
 - (viii) The most recent audited financial statements of the Issuer.

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. Any or all of the items listed above may be incorporated by reference from other documents, including limited offering memorandums and official statements of debt issues of the Issuer, which have been submitted to the MSRB or the SEC. If the document incorporated by reference is a final limited offering memorandum or official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

(b) Any Annual Financial Information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

5. Quarterly Reports.

(a) Each Obligated Person 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, as to the Obligated Person only, to the extent available:

- (i) The number of lots owned in the Assessment Area.

(ii) The number of lots within the Assessment Area under contract with a home builder and information regarding such builder.

(iii) The number of homes under construction and the number of homes constructed within the Assessment Area.

(iv) The number of homes under contract with homebuyers within the Assessment Area.

(v) The number of homes closed with homebuyers (delivered to end users) within the Assessment Area.

(vi) Any change to the number of lots planned to be developed within the Assessment Area.

(vii) 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.

(viii) 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 five (5) Business Days of the occurrence thereof. In the event that the Transferor Obligated Person remains an Obligated Person hereunder following any Transfer, nothing herein shall be construed to relieve the Transferor Obligated Person from its obligations hereunder.

(d) If the Dissemination Agent has not received a Quarterly Report 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 the Primary Landowner hereby direct the Dissemination Agent to send a notice to the Repository in substantially the form attached as Exhibit A, with a copy to the District. The Dissemination Agent shall file such notice no later than thirty (30) days following the applicable Quarterly Filing Date.

6. Reporting of Significant Events.

(a) This Section 6 shall govern the giving of notices of the occurrence of any of the following 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 Issuer or any Obligated Person (which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer or any Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer or any Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer or any Obligated Person);
- (xiii) Consummation of a merger, consolidation, or acquisition involving the Issuer or any Obligated Person or the sale of all or substantially all of the assets of the Issuer or any Obligated Person, other than in the ordinary course of business, the entry into a definitive

* Not initially applicable to the Bonds.

** The Bonds are not rated.

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 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, within five (5) Business Days of obtaining actual knowledge of the occurrence of any of the Listed Events, except events listed in clauses (a)(ii), (vii), (viii) with respect to bond calls only, (x), (xiii) or (xiv), unless such excepted events are determined by the Issuer to be material, notify the Dissemination Agent in writing of such event and direct the Dissemination Agent to report, within five (5) Business Days of receiving notice from the Issuer, the event pursuant to subsection (e) below.

(c) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, the Issuer shall file a notice of the occurrence of a Listed Event, with (i) each Repository and (ii) the State Repository, if any. If the Issuer sends notice pursuant to this subsection (c) or otherwise, the Issuer shall promptly notify the Dissemination Agent in writing.

(d) So long as the Primary Landowner is an Obligated Person with respect to the Bonds, the Primary Landowner shall notify the Issuer of the occurrence of a Listed Event described in subsections (a)(xii) or (xiii) above 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.

(e) If the Dissemination Agent has been instructed by the Issuer to report the occurrence of a Listed Event, the Dissemination Agent shall immediately, and in any event within five (5) Business Days, file a notice of such occurrence with (i) each Repository and (ii) the State Repository, if any.

(g) Primary Landowner hereby represents and warrants that it has not knowingly failed to timely comply with its continuing disclosure obligations as required in a continuing disclosure agreement in any material respects that resulted in the filing of a material event notice for any continuing disclosure agreements 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.

7. **Termination of Disclosure Agreement.** This Disclosure Agreement shall terminate with respect to the Bonds upon the defeasance, prior redemption or payment in full of all of the Bonds.

8. **Dissemination Agent.** Upon termination of the Dissemination Agent's services as Dissemination Agent, whether by notice of the Issuer or the Dissemination Agent, the Issuer agrees to appoint a successor Dissemination Agent or, alternatively, agrees to assume all responsibilities of Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. If at any time there is not any other designated Dissemination Agent, the District shall be deemed to be the Dissemination Agent. The initial Dissemination Agent shall be Digital Assurance Certification L.L.C. The acceptance of such designation is evidenced by the execution of this Disclosure Agreement by a duly authorized signatory of Digital Assurance Certification L.L.C. Digital Assurance Certification L.L.C. may terminate its role as Dissemination Agent at any time upon delivery of thirty (30) days prior written notice to the District and each Obligated Person.

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

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

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

11. **Default.** In the event of a failure of the Issuer, the Disclosure Representative, the Primary Landowner or any other Obligated Person, or the Dissemination Agent to comply with

any provision of this Disclosure Agreement, the Trustee may (and, at the request of any Beneficial Owners of at least 25% aggregate principal amount of Outstanding Bonds and receipt of indemnity satisfactory to the Trustee, shall), or any beneficial owner of a Bond may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer, the Disclosure Representative, the Primary Landowner, the Obligated Person, the Dissemination Agent or the Trustee, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement by the Primary Landowner or any other Obligated Person shall not be deemed a default by the Issuer hereunder and no default hereunder shall be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer, the Disclosure Representative, the Primary Landowner, the Obligated Person, the Dissemination Agent or the Trustee, to comply with this Disclosure Agreement shall be an action to compel performance.

12. **Duties of Dissemination Agent.** The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement between the District, the Primary Landowner (and any subsequent Obligated Person(s)) 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, the Primary Landowner, the Disclosure Representative and each person upon becoming an Obligated Person 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 Primary Landowner and the Disclosure Representative acknowledge and agree that the information to be collected and disseminated by the Dissemination Agent will be provided by the District, the Primary Landowner, 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, the Primary Landowner, any Obligated Person or the Disclosure Representative as thereafter disseminated by the Dissemination Agent. Any filings under this Disclosure Agreement made to the MSRB through EMMA shall be in an EMMA Compliant Format.

13. **Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Trustee, the Participating Underwriter and beneficial owners of the Bonds, and shall create no rights in any other person or entity.

14. **Tax Roll and Budget.** The Issuer, through its District Manager, if applicable, agrees to provide the Dissemination Agent with a certified copy of the tax roll provided to the Osceola County Tax Collector within 30 days of its delivery to the Osceola County Tax Collector and the adopted budget of the Issuer for the upcoming fiscal year by September 30 of the current year.

15. **Governing Law.** The laws of the State of Florida and Federal law shall govern this Disclosure Agreement and venue shall be in Osceola County, Florida.

16. **Counterparts.** This Disclosure Agreement may be executed in several counterparts and by PDF signature and all of which shall constitute but one and the same instrument.

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

18. **Binding Effect.** This Disclosure Agreement shall be binding upon each party to this Disclosure Agreement and upon each successor and assignee of each party to this Disclosure Agreement and shall inure to the benefit of, and be enforceable by, each party to this Disclosure Agreement and each successor and assignee of each party to this Disclosure Agreement. Notwithstanding the foregoing, as to the Primary Landowner 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.

[Signature Page Follows]

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

HARMONY COMMUNITY DEVELOPMENT DISTRICT, AS ISSUER

[SEAL]

By: _____
Chairperson, Board of Supervisors

ATTEST:

By: _____
Assistant Secretary

CONSENTED TO AND AGREED TO BY:

DISTRICT MANAGER

MOYER MANAGEMENT GROUP, INC., and its successors and assigns, AS DISTRICT MANAGER

By: _____
Name: _____
Title: _____

BIRCHWOOD ACRES LIMITED PARTNERSHIP, LLLP, a Florida limited liability limited partnership AS PRIMARY LANDOWNER

By: _____
Name: _____
Title: _____

DIGITAL ASSURANCE CERTIFICATION L.L.C., and its successors and assigns, AS DISSEMINATION AGENT

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/QUARTERLY] REPORT**

Name of Issuer: Harmony Community Development District

Name of Bond Issue: \$_____ original aggregate principal amount of Capital Improvement Revenue Refunding Bonds, Series 2014

Obligated Person(s): Harmony Community Development District;
Birchwood Acres Limited Partnership, LLLP

Original Date of Issuance: _____, 2014

CUSIP Numbers: _____

NOTICE IS HEREBY GIVEN that the Issuer has not provided an [Annual Report] [Quarterly Report] with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Agreement dated _____, 2014 by and between the Issuer, the Primary Landowner and the Dissemination Agent named therein. The Issuer has advised the undersigned that it anticipates that the [Annual Report][Quarterly Report] will be filed by _____, 20____.

Dated: _____

_____, as Dissemination Agent

By: _____

Name: _____

Title: _____

cc: Issuer
Obligated Person
Trustee

RESOLUTION NO. _____

A RESOLUTION OF HARMONY COMMUNITY DEVELOPMENT DISTRICT AUTHORIZING THE ISSUANCE OF AND AWARDING THE SALE OF ITS HARMONY COMMUNITY DEVELOPMENT DISTRICT CAPITAL IMPROVEMENT REVENUE REFUNDING BONDS, SERIES 2014 FOR THE PRINCIPAL PURPOSE OF REFUNDING ALL OF THE OUTSTANDING HARMONY COMMUNITY DEVELOPMENT DISTRICT CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2001 (SPECIAL ASSESSMENTS); DELEGATING TO THE CHAIRMAN OR VICE CHAIRMAN OF THE BOARD OF SUPERVISORS OF THE DISTRICT, SUBJECT TO COMPLIANCE WITH THE APPLICABLE PROVISIONS HEREOF, THE AUTHORITY TO AWARD THE SALE OF SUCH BONDS TO FMSBONDS, INC. BY EXECUTING AND DELIVERING TO SUCH UNDERWRITER A BOND PURCHASE AGREEMENT AND APPROVING THE FORM THEREOF; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF THE FIFTH SUPPLEMENTAL TRUST INDENTURE; MAKING CERTAIN FINDINGS; APPROVING FORM OF SAID BONDS; APPROVING THE FORM OF THE PRELIMINARY LIMITED OFFERING MEMORANDUM AND AUTHORIZING THE USE OF THE LIMITED OFFERING MEMORANDUM AND THE PRELIMINARY LIMITED OFFERING MEMORANDUM; APPROVING THE FORM OF THE CONTINUING DISCLOSURE AGREEMENT AND ESCROW DEPOSIT AGREEMENT; AUTHORIZING CERTAIN OFFICIALS OF HARMONY COMMUNITY DEVELOPMENT DISTRICT AND OTHERS TO TAKE ALL ACTIONS REQUIRED IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF SAID BONDS; CALLING THE BONDS TO BE REFUNDED FOR EARLY REDEMPTION; PROVIDING CERTAIN OTHER DETAILS WITH RESPECT TO SAID BONDS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Harmony Community Development District (the "District") is authorized by Florida Statutes, Chapter 190 (the "Act"), particularly Section 190.016(7), to issue its bonds for the purpose of refunding outstanding obligations of the District; and

WHEREAS, the District is authorized by the Act to make payments of principal, interest, and premium, if any, with respect to its bonds by levying and collecting special assessments on property located within the District and specially benefited by the assessable improvements financed with certain proceeds of its bonds including its Capital Improvement Revenue Bonds, Series 2001(Special Assessments); and

WHEREAS, the District, in order to achieve debt service savings now desires to authorize the issuance of and award the sale of its Capital Improvement Revenue Refunding Bonds, Series 2014 (the "2014 Bonds") for the principal purpose of refunding all of the Districts outstanding Capital Improvement Revenue Bonds Series 2001 (Special Assessments) (the

"Refunded Bonds") to approve the Supplemental Indenture (hereinafter defined) and to provide for various other matters relating to the issuance of the 2014 Bonds; and

WHEREAS, the Board of Supervisors of the District (the "Board") has received from FMSbonds, Inc. (the "Underwriter") a proposal in the form of a Bond Purchase Agreement (the "Contract") for the purchase of the 2014 Bonds and the Board has determined that acceptance of such proposal and the sale of the 2014 Bonds to the Underwriter is in the best interest of the District for the reasons hereafter indicated;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF HARMONY COMMUNITY DEVELOPMENT DISTRICT, as follows:

SECTION 1. Definitions. All words and phrases used herein in capitalized form, unless otherwise defined herein, shall have the meaning ascribed to them in the Indenture (hereinafter defined).

SECTION 2. Authorization. There is hereby authorized to be issued the 2014 Bonds in a principal amount not exceeding the then principal amount of the Refunded Bonds. The 2014 Bonds shall be issued under and secured by that Master Trust Indenture dated as of December 1, 2000 (the "Master Indenture") as supplemented by that Fifth Supplemental Trust Indenture dated as of such date as shall be acceptable to the District and the Underwriter (the "Supplemental Indenture") by and between the District and U.S. Bank National Association, as ultimate successor to First Union National Bank, as trustee (the "Trustee") (the Master Indenture and the Supplemental Indenture referred to collectively as the "Indenture"). The proceeds of the 2014 Bonds shall be used for the purposes set forth in the Supplemental Indenture and the Limited Offering Memorandum (hereinafter defined).

SECTION 3. Approval of Supplemental Indenture. The Supplemental Indenture is hereby approved in substantially the form set forth as part of **Exhibit A** hereto and the Chairman or the Vice Chairman of the Board are hereby authorized and directed to execute and deliver such Supplemental Indenture on behalf of and in the name of the District and the Secretary or any Assistant Secretary of the Board is hereby authorized to attest such execution, with such additions and deletions therein as may be made and approved by the Chairman or the Vice Chairman executing the same, such execution to be conclusive evidence of such approval. The Trustee is hereby approved to serve as Trustee, Bond Registrar and Paying Agent under such Supplemental Indenture.

SECTION 4. Negotiated Sale. The Board hereby determines that a negotiated sale of the 2014 Bonds to the Underwriter is in the best interest of the District because of prevailing market conditions, because delays caused by soliciting competitive bids could adversely affect the District's ability to issue and deliver the 2014 Bonds at presently favorable interest rates, and because the nature of the security for the 2014 Bonds and the sources of payment of debt service on the 2014 Bonds require the participation of an underwriter in structuring the bond issue.

SECTION 5. Contract Approved. The Board hereby approves the Contract submitted by the Underwriter in substantially the form attached as **Exhibit B** hereto. The Chairman or Vice Chairman of the Board is hereby authorized to execute the Contract and to deliver the

Contract to the Underwriter with such changes, amendments, modifications, omissions and additions as may be approved by the executing Chairman or Vice Chairman; provided that (i) the annual reduction in the amount of 2001 Assessments (as defined in the Supplemental Indenture) in each year shall be at least \$175,000, (ii) the principal amount of the 2014 Bonds shall not exceed the outstanding principal amount of the Refunded Bonds at the time of issuance of the 2014 Bonds; (iii) the 2014 Bonds shall be subject to optional redemption no later than May 1, 2024 at a Redemption Price not in excess of 100% of the principal amount to be redeemed plus accrued interest to the redemption date and (iv) the final maturity of the 2014 Bonds shall be no later than the final maturity of the Refunded Bonds. Execution by the Chairman or Vice Chairman of the Contract shall be deemed to be conclusive evidence of approval of such changes.

SECTION 6. Preliminary Limited Offering Memorandum and Limited Offering Memorandum. The District hereby approves the Preliminary Limited Offering Memorandum in substantially the form attached hereto as **Exhibit C** (the "Preliminary Limited Offering Memorandum") and authorizes its distribution and use by the Underwriter in connection with the offering for the sale of the 2014 Bonds. If between the date hereof and the mailing of the Preliminary Limited Offering Memorandum it is necessary to make insertions, modifications and changes to the Preliminary Limited Offering Memorandum, the Chairman or Vice Chairman is hereby authorized to approve such insertions, changes and modifications, and, the Chairman or Vice Chairman is hereby authorized to deem the Preliminary Limited Offering Memorandum "final" within the meaning of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") under the Securities Exchange Act of 1934, in the form as mailed and in furtherance thereof to execute a certificate evidencing same. The preparation of a final Limited Offering Memorandum is hereby approved and the Chairman or Vice Chairman is hereby authorized to execute such final Limited Offering Memorandum to be dated the date of the award of the 2014 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 2014 Bonds. The Limited Offering Memorandum shall be substantially in the form of the final Preliminary Limited Offering Memorandum, with such changes as shall be approved by the Chairman or Vice Chairman as necessary to conform to the details of the 2014 Bonds and such other insertions, modifications and changes as may be approved by the Chairman or Vice Chairman. The execution and delivery of the Limited Offering Memorandum by the Chairman shall constitute evidence of the approval thereof. The District hereby authorizes the use of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and the information contained therein in connection with the offering and sale of the 2014 Bonds.

SECTION 7. Form of 2014 Bonds. The 2014 Bonds shall be in substantially the form as set forth in the exhibit to the Supplemental Indenture, with such additions, deletions and other changes thereto as the officials of the Board executing the 2014 Bonds shall approve, such approval to be conclusively evidenced by the execution of the 2014 Bonds (by manual or facsimile signature) by such officials. The Board hereby authorizes and approves the use of a facsimile of the District seal on the 2014 Bonds.

SECTION 8. Continuing Disclosure Agreement. The form and content of the Continuing Disclosure Agreement (the "Disclosure Document") relating to the 2014 Bonds attached hereto as **Exhibit D** is hereby approved. The Chairman or Vice Chairman and the

Secretary or any Assistant Secretary are hereby authorized to execute on behalf of the District the Disclosure Document in substantially the form attached hereto, with such additions, deletions, and other changes as may be necessitated by applicable law, this Resolution and the Contract as such officers may approve (such approval to be conclusively evidenced by their execution of the Disclosure Document).

SECTION 9. Early Redemption of Refunded Bonds. Subject to delivery of the 2014 Bonds, the Refunded Bonds are hereby irrevocably called for redemption on the date set forth in the Escrow Deposit Agreement, as defined below, at the redemption price set forth in the Escrow Deposit Agreement together with accrued interest to the redemption date.

SECTION 10. Approval of Escrow Deposit Agreement. The Escrow Deposit Agreement, pursuant to which certain proceeds of the 2014 Bonds and other legally available moneys of the District will be deposited to provide for the refunding and defeasance of the Refunded Bonds, is hereby approved in substantially the form set forth as part of **Exhibit E** hereto and the Chairman or the Vice Chairman of the Board are hereby authorized and directed to execute and deliver such Agreement on behalf of and in the name of the District and the Secretary or any Assistant Secretary of the Board is hereby authorized to attest such execution, with such additions and deletions therein as may be made and approved by the Chairman or the Vice Chairman executing the same, such execution to be conclusive evidence of such approval. The Trustee is hereby approved to serve as Escrow Agent under the Escrow Deposit Agreement.

SECTION 11. Compliance with Section 190.016(7), Florida Statutes. The District hereby finds that the refunding as described herein and in the Supplemental Indenture and the Preliminary Limited Offering Memorandum comply with Section 190.016(7), Florida Statutes in that the issuance of the 2014 Bonds is advantageous to the District.

SECTION 12. Open Meetings. It is hereby found and determined that all official acts of this Board concerning and relating to the issuance, sale, and delivery of the 2014 Bonds, including but not limited to adoption of this Resolution, were taken in open meetings of the members of the Board and all deliberations of the members of the Board that resulted in such official acts were in meetings open to the public, in compliance with all legal requirements including, but not limited to, the requirement of Florida Statutes, Section 286.011.

SECTION 13. Other Actions. The Chairman, the Vice Chairman, the Secretary, any Assistant Secretary and the District Manager of the District, and any authorized designee thereof (collectively, the "District Officers"), Akerman LLP, as Bond Counsel, Young van Assenderp, P.A., the District's General Counsel, and any other consultant or experts retained by the District, are hereby authorized and directed to take all actions necessary or desirable in connection with the issuance and delivery of the 2014 Bonds and the consummation of all transactions in connection therewith. The District Officers are hereby authorized and directed to execute all necessary or desirable certificates, documents, papers, and agreements necessary to the undertaking and fulfillment of all transactions referred to in or contemplated by the Supplemental Indenture, the Preliminary Limited Offering Memorandum, the Limited Offering Memorandum, this Resolution, the Disclosure Document and the Contract.

SECTION 14. Approval of Prior Actions. All actions taken to date by the members of the Board and the officers, agents, and employees of the District in furtherance of the issuance of the Bonds are hereby approved, confirmed and ratified.

SECTION 15. Inconsistent Resolutions and Motions. All prior resolutions of the Board inconsistent with the provisions of this Resolution are hereby modified, supplemented and amended to conform with the provisions herein contained and, except as so modified, supplemented and amended hereby, shall remain in full force and effect.

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. Effective Date. This Resolution shall become effective immediately upon its adoption.

ADOPTED this 10th day of June, 2014.

**HARMONY COMMUNITY
DEVELOPMENT DISTRICT**

By: _____
Chairman

[SEAL]
Attest:

By: _____
Secretary

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**Harmony CDD
2014 Refunding Bonds
Estimated Issuance Costs**

	<u>Current Bonds</u>	<u>Proposed Bonds</u>
Par	\$13,965,000	\$13,965,000
Interest Rate	7.25%	5.35%
Costs -- All Costs of issuance included		

<u>Date</u>	<u>Current Bonds</u>	<u>Proposed Bonds</u>	<u>Savings</u>	
11/1/2015	\$1,388,325	\$1,213,306	\$175,019	13%
11/1/2016	\$1,388,963	\$1,211,213	\$177,750	13%
11/1/2017	\$1,387,425	\$1,209,838	\$177,588	13%
11/1/2018	\$1,388,531	\$1,212,088	\$176,444	13%
11/1/2019	\$1,387,100	\$1,212,838	\$174,263	13%
11/1/2020	\$1,387,950	\$1,212,088	\$175,863	13%
11/1/2021	\$1,390,719	\$1,214,713	\$176,006	13%
11/1/2022	\$1,390,225	\$1,214,588	\$175,638	13%
11/1/2023	\$1,391,288	\$1,214,713	\$176,575	13%
11/1/2024	\$1,388,725	\$1,212,088	\$176,638	13%
11/1/2025	\$1,387,356	\$1,212,588	\$174,769	13%
11/1/2026	\$1,386,819	\$1,210,025	\$176,794	13%
11/1/2027	\$1,391,569	\$1,214,088	\$177,481	13%
11/1/2028	\$1,391,244	\$1,215,525	\$175,719	13%
11/1/2029	\$1,390,663	\$1,214,338	\$176,325	13%
11/1/2030	\$1,389,463	\$1,214,394	\$175,069	13%
11/1/2031	\$1,387,281	\$1,211,563	\$175,719	13%
11/1/2032	\$1,388,575	\$1,212,713	\$175,863	13%

**Harmony CDD
2014 Refunding Bonds
Estimated Issuance Costs**

<u>Role</u>	<u>Fee</u>
Bond Counsel	\$37,000
Disclosure Counsel	\$30,000
District Counsel	\$35,000
Manager/Lien Roll	\$12,500
Trustee	\$6,500
Trustee Counsel	\$4,500
Dissemination Agent	\$2,500
Printing	\$1,500
Verification Agent	<u>\$1,800</u>
	\$131,300

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry, no matter how small, should be recorded to ensure the integrity of the financial statements. This includes not only sales and purchases but also expenses, income, and any other financial activity.

The second part of the document provides a detailed breakdown of the accounting process. It starts with the identification of the accounting cycle, which consists of eight steps: identifying the accounting cycle, analyzing and journalizing the business transactions, posting to the ledger, preparing a trial balance, adjusting the accounts, preparing financial statements, and closing the books. Each step is explained in detail, with examples and practical advice.

The third part of the document focuses on the preparation of financial statements. It covers the balance sheet, the income statement, and the statement of owner's equity. It explains how these statements are derived from the accounting records and how they provide a comprehensive view of the company's financial health.

The fourth part of the document discusses the importance of internal controls. It outlines various control procedures such as segregation of duties, authorization, and documentation. These controls are essential for preventing errors and fraud, and for ensuring the accuracy of the financial information.

The fifth part of the document covers the topic of depreciation. It explains the different methods used to calculate the depreciation of fixed assets, such as the straight-line method, the declining balance method, and the sum-of-the-years'-digits method. It also discusses the impact of depreciation on the company's financial statements.

The sixth part of the document discusses the importance of budgeting. It explains how a budget is developed and how it is used to monitor and control the company's financial performance. It also discusses the various types of budgets, such as the operating budget and the capital budget.

The seventh part of the document covers the topic of cost accounting. It explains how costs are classified and how they are used to determine the cost of goods sold and the cost of services. It also discusses the various methods used to allocate overhead costs to products and services.

The eighth part of the document discusses the importance of financial ratios. It explains how ratios are calculated and how they are used to analyze the company's financial performance. It also discusses the various types of ratios, such as the current ratio, the debt-to-equity ratio, and the return on equity ratio.

The ninth part of the document covers the topic of financial forecasting. It explains how financial forecasts are developed and how they are used to predict the company's future financial performance. It also discusses the various methods used to develop financial forecasts, such as the trend analysis method and the regression analysis method.

The tenth part of the document discusses the importance of financial reporting. It explains how financial reports are prepared and how they are used to communicate the company's financial performance to stakeholders. It also discusses the various types of financial reports, such as the annual report and the quarterly report.

ESCROW DEPOSIT AGREEMENT

ESCROW DEPOSIT AGREEMENT, dated as of _____, 2014, by and between the **HARMONY COMMUNITY DEVELOPMENT DISTRICT** (the "**District**"), a duly constituted and existing community development district and local unit of special purpose government under the laws of the State of Florida, and **U.S. BANK NATIONAL ASSOCIATION** (the "**Escrow Agent**"), a national banking association organized and existing under the laws of the United States of America, as Escrow Agent hereunder.

WHEREAS, the District has previously issued its Capital Improvement Revenue Bonds, Series 2001 (Special Assessments) (the "2001 Bonds") pursuant to a Master Trust Indenture dated as of December 1, 2000 (the "Master Indenture") as supplemented by a Third Supplemental Trust Indenture dated as of October 1, 2001, both between the District and the Escrow Agent as ultimate successor as Trustee (together with the Master Indenture, the "Indenture"); and

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

WHEREAS, the District has determined to issue, pursuant to the Master Indenture as supplemented by a Fifth Supplemental Trust Indenture dated as of _____ 1, 2014 between the District and the Escrow Agent as Trustee, its \$_____ aggregate principal amount of Capital Improvement Revenue Refunding Bonds, Series 2014 (the "2014 Bonds") for the principal purpose of refunding and together with other legally available moneys, defeasing as provided herein all of the Outstanding 2001 Bonds (the "Refunded Bonds"); and

WHEREAS, a portion of the proceeds of the 2014 Bonds together with other legally available moneys of the District will be deposited in the Escrow Fund created pursuant to Section 4 hereof in an amount sufficient without reinvestment to pay the Refunded Bonds as provided herein and to discharge and satisfy the covenants, agreements and other obligations of the District in regard to such Refunded Bonds; and

WHEREAS, the issuance of the 2014 Bonds, the deposit of such cash into the Escrow Fund to be held by the Escrow Agent and the discharge and satisfaction of the covenants, agreements and other obligations of the District in regard to the Refunded Bonds shall occur as a simultaneous transaction; and

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

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

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

2. Receipt of true and correct copies of the above-mentioned Master Indenture is hereby acknowledged by the Escrow Agent. The applicable and necessary provisions of the Master Indenture, in particular Article XII thereof are incorporated herein by reference. The Escrow Agent also acknowledges receipt of the report of _____ dated _____, 2014 (the Accountant's Certificate) indicating that sufficient cash has been deposited into the Escrow Fund to provide for all payments due on the Refunded Bonds through the redemption date of _____, 2014.

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

4. There is hereby created and established with the Escrow Agent a special, segregated and irrevocable escrow fund designated the "Harmony Community Development District 2001 (Special Assessments) Bonds Escrow Deposit Fund" (the "Escrow Fund"), which Escrow Fund is to be held in the custody of the Escrow Agent as a trust fund for the benefit of the holders of the Refunded Bonds as provided more specifically below, separate and apart from other funds of the District and the Escrow Agent. The Escrow Agent hereby accepts the Escrow Fund and acknowledges the receipt of and deposit thereunder of the sum of \$_____ in immediately available funds received by the District from the sale and delivery of the 2014 Bonds and other legally available moneys (the "Escrow Proceeds"). The District instructs the Escrow Agent to hold for Escrow Proceeds uninvested in cash.

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

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

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

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

8. The District hereby irrevocably instructs the Escrow Agent as the registrar for the Refunded Bonds to give, at the appropriate time, the notice or notices required by the Indenture in connection with the redemption of the Refunded Bonds. Attached hereto as **Schedule "B"** is a Notice of Defeasance of the Refunded Bonds which the District hereby instructs the Escrow Agent to deliver as provided in the Indenture. The Refunded Bonds are hereby called for redemption on _____, 2014 at the redemption price of the 103.25% of the principal amount thereof plus accrued interest to such redemption date.

9. Concurrently with the deposit set forth in Section 4 hereof, the Refunded Bonds are hereby deemed to have been paid within the meaning and with the effect expressed in the Indenture.

10. The Escrow Fund hereby created shall be irrevocable and the holders of the Refunded Bonds shall have an express lien on all cash deposited in the Escrow Fund pursuant to the terms hereof until paid out, used and applied in accordance with this Agreement. Neither the District or the Escrow Agent shall cause or permit any other lien or interest to be imposed upon the Escrow Funds.

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

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

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

12. As long as the amounts on deposit in the Escrow Fund are held uninvested, the Escrow Agent is not charging any amount for performing under this Agreement provided, that the District shall pay any expenses associated with the performance by the Escrow Agent at the request of the District of any extraordinary services hereunder, which are payable by the

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

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

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

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

the Escrow Agent shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

The District further agrees to indemnify and save the Escrow Agent harmless, to the extent allowed by law, against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder, and which are not due to its negligence or default. Such indemnification shall survive the termination of this Agreement and/or the sooner resignation or removal of the Escrow Agent and shall inure to the benefit of the Escrow Agent's successors and assigns.

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

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

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

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

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

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

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

In the event the Escrow Agent resigns or is removed pursuant to the provisions hereof, any fee paid to the Escrow Agent as provided in Section 12 hereof shall to the extent of the unearned portion of such fee be rebated and returned to the District.

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

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

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

deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

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

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

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Harmony Community
Development District
c/o District Manager
610 Sycamore Street, Suite 140
Celebration, FL 34747

U.S. Bank National Association
225 E. Robinson Street, Suite 250
Orlando, Florida 32801

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

**HARMONY COMMUNITY
DEVELOPMENT DISTRICT**

(SEAL)

ATTEST:

By: _____
Chairman

Secretary

*(Signature page of Escrow Deposit Agreement dated _____, 2014
re: Harmony Community Development District)*

U.S. BANK NATIONAL ASSOCIATION

By: _____
Vice President

SCHEDULE A

<u>Payment Date</u>	<u>Redeemed Principal</u>	<u>Interest</u>	<u>Redemption Premium</u>	<u>Total</u>
_____, 2014	\$ _____	\$ _____	\$ _____	\$ _____

SCHEDULE B

**NOTICE OF DEFEASANCE
HARMONY COMMUNITY DEVELOPMENT DISTRICT
CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2001
CUSIP [413213AA7]***

NOTICE IS HEREBY GIVEN to the holders of the outstanding Capital Improvement Revenue Bonds, Series 2001, (Special Assessments) of the Harmony Community Development District (the "Bonds") that there have been deposited with U.S. Bank National Association, as escrow agent, moneys consisting of refunding bond proceeds and other available moneys of the District which will be sufficient to pay all due principal, redemption premium and interest on such Bonds on _____, 2014.

The Bonds are deemed to have been paid within the meaning of Article XII of the Master Trust Indenture dated as of December 1, 2000 between the District and U.S. Bank National Association as successor to First Union National Bank, as Trustee. This notice does not constitute a notice of redemption and no Bonds should be delivered to the District or its paying agents as a result of this publication.

Dated: _____, 2014.

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

* CUSIP numbers are included solely for convenience and no representation is made as to their correctness.

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FIFTH SUPPLEMENTAL TRUST INDENTURE
BETWEEN
HARMONY COMMUNITY DEVELOPMENT DISTRICT
AND
U.S. BANK NATIONAL ASSOCIATION,
AS TRUSTEE

Dated as of _____ 1, 2014

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This Table of Contents is incorporated herein for ease of reference only and shall not be deemed a part of the Fifth Supplemental Trust Indenture.

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EXHIBIT "A" Form of 2014 Bond

FIFTH SUPPLEMENTAL TRUST INDENTURE

THIS FIFTH SUPPLEMENTAL TRUST INDENTURE (the "Fifth Supplemental Indenture") dated as of _____ 1, 2014, from **HARMONY COMMUNITY DEVELOPMENT DISTRICT** (the "District") to **U.S. BANK NATIONAL ASSOCIATION**, as trustee (the "Trustee"), a national banking association under the laws of the United States of America and authorized to accept and execute trusts of the character herein set out within the State of Florida.

WHEREAS, the District has entered into a Master Trust Indenture dated as of December 1, 2000 (the "Master Indenture") with the Trustee, as ultimate successor to First Union National Bank, to secure the issuance of its Bonds as defined in the Master Indenture (the "Bonds"), issuable in one or more Series from time to time; and

WHEREAS, the District is a community development district duly organized and existing under the provisions of Chapter 190, Florida Statutes, as amended (the "Act"), for the purpose, among other things, of financing and managing the acquisition, construction, maintenance, and operation of public infrastructure and other public improvements within and as provided in the Act without the boundaries of the District; and

WHEREAS, the District for the primary purpose of constructing public infrastructure and other public improvements in accordance with the provisions of the Act issued its Capital Improvement Revenue Bonds, Series 2001 (Special Assessments) (the "2001 Bonds") pursuant to the Master Indenture and a Third Supplemental Trust Indenture dated as of October 1, 2001 by and between the District and the Trustee (the "Third Supplemental Indenture"); and

WHEREAS, the District is authorized by the Act, particularly Section 190.016(7) thereof to issue bonds of the District to provide for the refunding of obligations of the District like the 2001 Bonds; and

WHEREAS, the District has determined it to be advantageous to the District to issue its Capital Improvement Revenue Refunding Bonds, Series 2014 (the "2014 Bonds" or the "Bonds") for the primary purpose of, together with other legally available money of the District, refunding and defeasing all of the Outstanding 2001 Bonds (the "Refunded Bonds"), which refunding will result in debt service savings to the District for the benefit of the District and its residents; and

WHEREAS, pursuant to Resolution No. _____ adopted by the Governing Body of the District on June 10, 2014, the District has authorized the issuance, sale and delivery of \$ _____ principal amount of the 2014 Bonds and authorized the execution and delivery of this Fifth Supplemental Indenture to secure the issuance of the 2014 Bonds and to set forth the terms of the 2014 Bonds; and

WHEREAS, the Governing Body of the District has duly adopted resolutions declaring 2001 Assessments (as defined herein), indicating the location, nature and estimated cost of those improvements whose total cost is to be defrayed by such 2001 Assessments; providing the portion of the estimated cost of the improvements to be partially defrayed by the 2001 Assessments; providing the manner in which such 2001 Assessments shall be made; providing when such 2001 Assessments shall be made, providing for an assessment plat and preliminary assessment roll; and designating lands upon which the 2001 Assessments shall be levied; setting

a public hearing for the purpose of hearing public comments on the 2001 Assessments and fixing, establishing and levying the 2001 Assessments and the benefited property against which such are imposed, which resolution as supplemented from time to time (collectively referred to as, the "Assessment Proceedings"); and

WHEREAS, the execution and delivery of the 2014 Bonds and of this Fifth Supplemental Indenture have been duly authorized by the Governing Body of the District and all things necessary to make the 2014 Bonds, when executed by the District and authenticated by the Trustee, valid and binding legal obligations of the District and to make this Fifth Supplemental Indenture a valid and binding agreement and, together with the Master Indenture, a valid and binding lien on the 2014 Trust Estate (as hereinafter defined) have been done;

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

That the District, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the mutual covenants herein contained, the purchase and acceptance of the 2014 Bonds by the purchaser or purchasers thereof, and other good and valuable consideration, receipt which is hereby acknowledged, and in order to further secure the payment of the principal and redemption price (as hereinafter defined) of, and interest on, all 2014 Bonds Outstanding (as defined in the Master Indenture) from time to time, according to their tenor and effect, and such other payments required to be made under the Master Indenture or hereunder, and to further secure the observance and performance by the District of all the covenants, expressed or implied in the Master Indenture, in this Fifth Supplemental Indenture and in the 2014 Bonds: (a) has executed and delivered this Fifth Supplemental Indenture and (b) does hereby, in confirmation of the Master Indenture, grant, bargain, sell, convey, transfer, assign and pledge unto the Trustee, and unto its successors in interest the trusts under the Master Indenture and hereunder, and to them and their successors and assigns forever, all right, title and interest of the District, in, to and under, subject to the terms and conditions of the Master Indenture and the provisions of the Master Indenture and this Fifth Supplemental Indenture pertaining to the application thereof for or to the purposes and on the terms set forth in the Master Indenture and this Fifth Supplemental Indenture to the 2014 Bonds, all revenues derived by the District from the 2001 Assessments (the "2014 Assessment Revenues" or the "2014 Pledged Revenues") and the Funds and Accounts (except for the 2014 Rebate Account and the 2014 Cost of Issuance Account) (collectively, the "2014 Pledged Funds" and with the 2014 Pledged Revenues, the "2014 Trust Estate") established hereby and in the manner set forth below as provided herein;

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

IN TRUST NEVERTHELESS, except as in each such case may otherwise be provided in the Master Indenture or this Fifth Supplemental Indenture, upon the terms and trusts in the Master Indenture and this Fifth Supplemental Indenture;

PROVIDED HOWEVER, that if the District, its successors or assigns, shall well and duly pay, or cause to be paid, or make due provision for the payment of the principal and/or

redemption price of the 2014 Bonds or any 2014 Bond secured and Outstanding under this Fifth Supplemental Indenture and the interest due or to become due thereon, at the times and in the manner mentioned in the 2014 Bonds and this Fifth Supplemental Indenture, according to the true intent and meaning thereof, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of the Master Indenture and this Fifth Supplemental Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provision of the Master Indenture and this Fifth Supplemental Indenture, then upon such final payments, this Fifth Supplemental Indenture and the rights hereby granted shall cease and terminate, with respect to all 2014 Bonds or any 2014 Bond of a particular maturity, otherwise this Fifth Supplemental Indenture shall remain in full force and effect;

THIS FIFTH SUPPLEMENTAL INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all 2014 Bonds issued and secured hereunder are to be issued, authenticated and delivered and all of the rights and property pledged to the payment thereof are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as in the Master Indenture (except as amended directly or by implication by this Fifth Supplemental Indenture), including this Fifth Supplemental Indenture, expressed, and the District has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Holder and Beneficial Holders, from time to time, of the 2014 Bonds, as follows:

ARTICLE I

DEFINITIONS

Section 101. Definitions. All terms used herein that are defined in the recitals hereto are used with the same meaning herein unless the context clearly requires otherwise. All terms used herein that are defined in the Master Indenture are used with the same meaning herein (including the use of such terms in the recitals hereto and the granting clauses hereof) unless (i) expressly given a different meaning herein or (ii) the context clearly requires otherwise. In addition, unless the context clearly requires otherwise, the following terms used herein shall have the following meanings:

"Beneficial Holder" shall mean the Holders from time to time of the 2014 Bonds for federal income tax purposes.

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

"Bond Participants" shall mean those broker-dealers, banks and other financial institutions from time to time for which the Bond Depository holds 2014 Bonds as securities depository.

"Continuing Disclosure [Certificate]" means that certain Continuing Disclosure [Certificate] of the District dated the date of issuance and delivery of the 2014 Bonds, as

originally executed and as it may be amended from time to time in accordance with the terms thereof.

"Delinquent 2001 Assessment Interest" shall mean 2001 Assessment Interest deposited with the Trustee after the date on which such 2001 Assessment Interest has become due and payable.

"Delinquent 2001 Assessment Principal" shall mean 2001 Assessment Principal deposited with the Trustee after the date on which such 2001 Assessment Principal has become due and payable.

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

"Escrow Deposit Agreement" shall mean that certain agreement between the District and U.S. Bank National Association as escrow agent pursuant to which amounts shall be deposited in trust to provide for the payment of the Refunded Bonds as provided therein.

"Interest Payment Date" shall mean each May 1 and November 1, commencing May 1, 2015.

"2014 Investment Obligations" shall mean and include any of the following securities, if and to the extent the same are at the time legal investments for funds of the District:

- (A) Government Obligations;
- (B) obligations of any Federal agency whose debt rating is in the top rating category by both Moody's and S&P.
- (C) deposits, Federal funds or bankers' acceptances (with term to maturity of 270 days or less) of any bank which has an unsecured, uninsured and unguaranteed obligation rated in one of the top two rating categories by both Moody's and S&P;
- (D) commercial paper rated in the top two rating categories by both Moody's and S&P;
- (E) obligations of any state of the United States or political subdivision thereof or constituted authority thereof the interest on which is exempt from federal income taxation under Section 103 of the Code and rated in one of the top two rating categories by both Moody's and S&P;
- (F) either (A) shares of a diversified open-end management investment company (as defined in the Investment Company Act of 1940) or a regulated investment company (as defined in Section 851(a) of the Code) that is a money market fund that is rated in the highest rating category for money market funds by Moody's or S&P, or (B) shares of money market mutual funds that invest only in Government Obligations and repurchase agreements secured by such obligations, which funds are rated in the highest categories for such funds by Moody's or S&P;

(G) any other investment approved in writing by the Holder of a majority in aggregate principal amount of the 2014 Bonds;

(H) bonds, notes and other debt obligations of any corporation organized under the laws of the United States, any state or organized territory of the United States or the District of Columbia, if such obligations are rated in one of the three highest ratings by both Moody's and S&P or in one of the two highest categories by either S&P or Moody's;

(I) the Local Government Surplus Funds Trust Fund as described in Florida Statutes, Section 218.405 or the corresponding provisions of subsequent laws provided that such fund is rated at least "AA" by S&P (without regard to gradation) or at least "Aa" by Moody's (without regard to gradation); and

(J) repurchase agreements, which will be collateralized at the onset of the repurchase agreement of at least 103% marked to market weekly by the Holders of the Collateral (as defined herein) with collateral with a domestic or foreign bank or corporation (other than life or property casualty insurance company) the long-term debt of which, or, in the case of a financial guaranty insurance company, claims paying ability, of the guarantor is rated at least "AA" by S&P and "Aa" by Moody's provided that the repurchase agreement shall provide that if during its term the provider's rating by either S&P or Moody's falls below "AA-" or "Aa3," respectively, the provider shall immediately notify the Trustee and the provider shall at its option, within ten days of receipt of publication of such downgrade, either (A) maintain Collateral at levels, sufficient to maintain an "AA" rated investment from S&P and an "Aa" rated investment from Moody's, or (B) repurchase all collateral and terminate the repurchase agreement. Further, if the provider's rating by either S&P or Moody's falls below "A-" or "A3," respectively, the provider shall immediately notify the Trustee and the District and the provider must at the direction of the District (with a copy to the Trustee), within ten (10) calendar days, either (1) maintain collateral at levels sufficient to maintain an "AA" rated investment from S&P and an "Aa" rated investment from Moody's, or (2) repurchase all collateral and terminate the repurchase agreement without penalty. In the event the repurchase agreement provider has not satisfied the above conditions within ten (10) days of the date such conditions apply, then the repurchase agreement shall provide that the Trustee shall be entitled to, and in such event, the Trustee shall withdraw the entire amount invested plus accrued interest within two (2) Business Days. Any repurchase agreement entered into pursuant to the Indenture shall contain the following additional provisions:

Failure to maintain the requisite collateral percentage will require the District or the Trustee to liquidate the collateral as provided above;

The Holder of the Collateral, as hereinafter defined, shall have possession of the collateral or the collateral shall have been transferred to the Holder of the Collateral, in accordance with applicable state and federal laws (other than by means of entries on the transferor's books);

The repurchase agreement shall state and an opinion of counsel in form and in substance satisfactory to the Trustee shall be rendered that the Holder of the Collateral has a perfected first

priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

The repurchase agreement shall be a "repurchase agreement" as defined in the United States Bankruptcy Code and, if the provider is a domestic bank, a "qualified financial contract" as defined in the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA") and such bank is subject to FIRREA;

The repurchase transaction shall be in the form of a written agreement, and such agreement shall require the provider to give written notice to the Trustee of any change in its long-term debt rating;

The District or its designee shall represent that it has no knowledge of any fraud involved in the repurchase transaction;

The District and the Trustee shall receive the opinion of counsel (which opinion shall be addressed to the District and the Trustee and shall be in form and substance satisfactory to the Trustee) that such repurchase agreement complies with the terms of this section and is legal, valid, binding and enforceable upon the provider in accordance with its terms;

The term of the repurchase agreement shall be no longer than one year;

The interest with respect to the repurchase transaction shall be payable no less frequently than monthly;

The repurchase agreement shall provide that the Trustee may withdraw funds without penalty at any time, or from time to time, for any purpose permitted or required under this Indenture;

Any repurchase agreement shall provide that a perfected security interest in such investments is created for the benefit of the Beneficial Holders under the Uniform Commercial Code of Florida, or book-entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. are created for the benefit of the Beneficial Holders; and

The collateral delivered or transferred to the District, the Trustee, or a third-party acceptable to, and acting solely as agent for, the Trustee (the "Holder of the Collateral") shall be delivered and transferred in compliance with applicable state and federal laws (other than by means of entries on provider's books) free and clear of any third-party liens or claims pursuant to a custodial agreement subject to the prior written approval of the majority of the Holders and the Trustee. The custodial agreement shall provide that the Trustee must have disposition or control over the collateral of the repurchase agreement, irrespective of an event of default by the provider of such repurchase agreement.

If such investments are held by a third-party, they shall be held as agent for the benefit of the Trustee as fiduciary for the Beneficial Holders and not as agent for the bank serving as Trustee in its commercial capacity or any other party and shall be segregated from securities owned generally by such third party or bank.

Under all circumstances, the Trustee shall be entitled to rely upon a certificate of an Authorized Officer of the District setting forth that an investment is an investment permitted under the Indenture.

"2001 Assessments" shall mean the Assessments imposed, levied and collected by the District with respect to properties specially benefited by the public infrastructure and other improvements financed with proceeds of the 2001 Bonds.

"2001 Assessment Interest" shall mean the interest on the 2001 Assessments.

"2001 Assessment Principal" shall mean the principal amount of 2001 Assessments.

"2001 Assessment Revenues" shall mean all revenues derived by the District from the 2001 Assessments.

"2001 Prepayment Principal" shall mean the excess amount of 2001 Assessment Principal received by the District over the 2001 Assessment Principal included within an Assessment appearing on any outstanding and unpaid tax bill, whether or not mandated to be prepaid in accordance with the Assessment Proceedings. Anything herein or in the Master Indenture to the contrary notwithstanding, the term 2001 Prepayment Principal shall not mean the proceeds of any Refunding Bonds or other borrowing of the District.

"2014 Reserve Account Requirement" shall mean, as determined from time to time, an amount equal to 50% of the then Maximum Annual Debt Service Requirement for the 2014 Bonds.

"Majority Owners" shall mean the beneficial owners of more than fifty percent (50%) in principal amount of the Outstanding 2014 Bonds.

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

ARTICLE II

AUTHORIZATION, ISSUANCE AND PROVISIONS OF 2014 BONDS

Section 201. Authorization of 2014 Bonds; Book-Entry Only Form. The 2014 Bonds are hereby authorized to be issued in the aggregate principal amount of \$_____ all for the purposes enumerated in the recitals hereto and as further described herein. The 2014 Bonds shall be substantially in the form set forth as **Exhibit A** to this Fifth Supplemental Indenture. Each 2014 Bond shall bear the designation "2014R" and numbered consecutively from 1 upwards.

The 2014 Bonds shall be initially issued in the form of a separate single certificated fully registered 2014 Bond for each maturity of 2014 Bonds. Upon initial issuance, the ownership of such 2014 Bond shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of The Depository Trust Company, New York, New York ("DTC"), the initial Bond Depository. Except as provided in this Section 201, all of the

Outstanding 2014 Bonds shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC.

With respect to 2014 Bonds registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, the District, the Trustee, the Bond Registrar and the Paying Agent shall have no responsibility or obligation to any such Bond Participant or to any Beneficial Holder. Without limiting the immediately preceding sentence, the District, the Trustee, the Bond Registrar and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Bond Participant with respect to any ownership interest in the 2014 Bonds, (ii) the delivery to any Bond Participant or any other person other than a Holder, as shown in the registration books kept by the Bond Registrar, of any notice with respect to the 2014 Bonds, including any notice of redemption, or (iii) the payment to any Bond Participant or any other person, other than a Holder, as shown in the registration books kept by the Bond Registrar, of any amount with respect to principal of, premium, if any, or interest on the 2014 Bonds. The District, the Trustee, the Bond Registrar and the Paying Agent may treat and consider the person in whose name each 2014 Bond is registered in the registration books kept by the Bond Registrar as the absolute Holder of such 2014 Bond for the purpose of payment of principal, premium and interest with respect to such 2014 Bond, for the purpose of giving notices of redemption and other matters with respect to such 2014 Bond, for the purpose of registering transfers with respect to such 2014 Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium, if any, and interest on the 2014 Bonds only to or upon the order of the respective Holder, as shown in the registration books kept by the Bond Registrar, or their respective attorneys duly authorized in writing, as provided herein and all such payment shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal of, premium, if any, and interest on the 2014 Bonds to the extent of the sum or sums so paid. No person other than a Holder, as shown in the registration books kept by the Bond Registrar, shall receive a certificated 2014 Bond evidencing the obligation of the District to make payments of principal, premium, if any, and interest pursuant to the provisions hereof. Upon delivery by DTC to the District of written notice to the effect that DTC has determined to substitute a new Nominee in place of Cede & Co., and subject to the provisions therein with respect to Record Dates, the words "Cede & Co." in this Fifth Supplemental Indenture shall refer to such new Nominee of DTC; and upon receipt of such a notice the District shall promptly deliver a copy of the same to the Trustee, Bond Registrar and the Paying Agent.

Upon receipt by the Trustee or the District of written notice from DTC: (i) confirming that DTC has received written notice from the District to the effect that a continuation of the requirement that all of the Outstanding 2014 Bonds be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, is not in the best interest of the Beneficial Holder of the 2014 Bonds or (ii) to the effect that DTC is unable or unwilling to discharge its responsibilities and no substitute Bond Depository willing to undertake the functions of DTC hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, the 2014 Bonds shall no longer be restricted to being registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names Holder transferring or exchanging the 2014 Bonds shall designate, in accordance with the provisions hereof.

If certificates for the 2014 Bonds are printed, no charge shall be made to any Holder for registration and transfer of 2014 Bonds, but any Bondholder requesting any such registration or transfer shall pay any tax or other governmental charge required to be paid with respect thereto.

NEITHER THE DISTRICT NOR THE TRUSTEE SHALL HAVE ANY OBLIGATION WITH RESPECT TO ANY DEPOSITORY PARTICIPANT OR BENEFICIAL HOLDER OF THE 2014 BONDS DURING SUCH TIME AS THE 2014 BONDS ARE REGISTERED IN THE NAME OF A SECURITIES DEPOSITORY PURSUANT TO A BOOK-ENTRY ONLY SYSTEM OF REGISTRATION.

Section 202. Terms of 2014 Bonds. The 2014 Bonds shall be issued as [Term Bonds] and shall bear interest at the fixed interest rates per annum and shall mature in the amounts and on the dates set forth below:

<u>Maturity</u> <u>(May 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
_____	\$ _____	_____ %
2032	\$ _____	_____ %

Section 203. Dating; Interest Accrual. Each 2014 Bond shall be dated _____, 2014. Each 2014 Bond shall also bear its date of authentication. Each 2014 Bond shall bear interest from the Interest Payment Date to which interest has been paid next preceding the date of its authentication, unless the date of its authentication: (i) is an Interest Payment Date to which interest on such 2014 Bond has been paid, in which event such 2014 Bond shall bear interest from its date of authentication; or (ii) is prior to the first Interest Payment Date for the 2014 Bonds, in which event such 2014 Bond shall bear interest from its date. Interest on the 2014 Bonds shall be due and payable on each May 1 and November 1, commencing May 1, 2015, and shall be computed on the basis of a 360-day year of twelve 30-day months.

Section 204. Denomination. The 2014 Bonds shall be issued in denominations of \$5,000 and any integral multiple of \$5,000 in excess thereof provided that delivery to the initial purchasers shall be in denominations of \$100,000 or integral multiples of \$5,000 in excess thereof.

Section 205. Paying Agent. The District appoints the Trustee as Paying Agent for the 2014 Bonds.

Section 206. Bond Registrar. The District appoints the Trustee as Bond Registrar for the 2014 Bonds.

Section 207. Conditions Precedent to Issuance of 2014 Bonds. In addition to complying with any requirements set forth in Section 207 of the Master Indenture and any other applicable provisions thereof in connection with the issuance of the 2014 Bonds, all the 2014 Bonds shall be executed by the District for delivery to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the District or upon its order, but only upon the further receipt by the Trustee of:

- (a) An executed original of this Fifth Supplemental Indenture;

(b) A Bond Counsel opinion substantially to the effect that: (i) this Fifth Supplemental Indenture has been duly authorized and executed by the District and constitutes a valid and binding obligation of the District; (ii) the 2014 Bonds have been duly authorized, executed and delivered by the District and are valid and binding special obligations of the District, payable solely from the sources provided therefor in the Indenture; (iii) the interest on the 2014 Bonds is excludable from gross income for federal income tax purposes; (iv) the 2014 Bonds and the interest paid thereon are exempt from all taxes imposed by the State of Florida except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes on corporations and other entities, as defined therein; and (v) the Refunded Bonds have been legally defeased and (vi) the opinion required of Bond Counsel by Section 1201(b) of the Master Indenture.

(c) An opinion of Counsel to the District substantially to the effect that (i) the District has been duly established and validly exists as a community development district under the Act, (ii) the District has good right and lawful authority under the Act to undertake the refunding of the Refunded Bonds, (iii) all proceedings undertaken by the District with respect to the 2001 Assessments have been in accordance with Florida law, (iv) the District has taken all action necessary to levy and impose the 2001 Assessments, (v) the 2001 Assessments are legal, valid and binding liens upon the property against which such 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 and (vi) to the best of their knowledge, with investigation, there is no action, suit or proceeding at law or in equity by or before any court or public board or body pending or threatened against the District (or any basis therefore) (a) seeking to restrain or enjoin the issuance or delivery of the 2014 Bonds or the application of the proceeds thereof; (b) contesting or affecting the authority for the 2001 Assessments or the issuance of the 2014 Bonds or the validity or enforceability of the 2014 Bonds, the Indenture, the Continuing Disclosure [Certificate], or the transactions contemplated thereunder, or (c) contesting or affecting the establishment or existence, of the District or any of its Supervisors, officers or employees, property or conditions, financial or otherwise, or contesting or affecting any of the powers of the District, including its power to enter into the agreements described above, or its power to determine, assess, levy and collect 2001 Assessments and its power to refund and defease the Refunded Bonds.

(d) A certificate of an Authorized Officer to the effect that, upon the authentication and delivery of the 2014 Bonds, the District will not be in default in the performance of the terms and provisions of the Master Indenture or this Fifth Supplemental Indenture;

(e) A fully executed copy of the Continuing Disclosure Certificate.

Section 208. Continuing Disclosure. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure [Certificate]. Notwithstanding any other provisions of the Indenture, failure of the District to comply with the Continuing Disclosure [Certificate] shall not be considered an Event of Default; however, the Trustee may (and, at the request of any Participating Underwriter (as defined in Rule 15c2-12 of the Securities and Exchange Commission) or the Holders of at least 25% aggregate principal amount of Outstanding 2014 Bonds, and receipt of indemnity satisfactory to the Trustee) or any such Bondholder may take such actions as may be necessary and appropriate, including seeking

mandate or specific performance by court order, to cause the District to comply with its obligations under this Section.

ARTICLE III

REDEMPTION OF 2014 BONDS

Section 301. 2014 Bonds Subject to Redemption and Purchase. The 2014 Bonds are subject to redemption prior to maturity as provided in the 2014 Bonds.

Notwithstanding any other provision hereof or the Master Indenture, notice of optional redemption of 2014 Bonds may be conditioned upon the occurrence or non-occurrence of such event or events as shall be specified in such notice of optional redemption and may also be subject to rescission by the District if expressly set forth in such notice.

ARTICLE IV

DEPOSIT OF 2014 BOND PROCEEDS AND APPLICATION THEREOF; ESTABLISHMENT OF FUNDS, ACCOUNTS, AND SUBACCOUNTS AND OPERATION THEREOF

Section 401. Establishment of Funds, Accounts, and Subaccounts.

(a) There is hereby established within the Acquisition and Construction Fund to be held by the Trustee, a 2014 Cost of Issuance Account;

(b) There is hereby established to be held by the Trustee a 2014 Revenue Account within the Revenue Fund;

(c) There are hereby established within the Debt Service Fund to be held by the Trustee: (i) a 2014 Sinking Fund Account; (ii) a 2014 Interest Account; and (iii) a Prepayment Account;

(d) There is hereby established to be held by the Trustee within the Reserve Fund, a 2014 Reserve Account; and

(e) There is hereby established to be held by the Trustee within the Rebate Fund a 2014 Rebate Account.

Section 402. Use of 2014 Bond Proceeds. Following the Trustee's receipt of the items set forth in Section 207 hereof the net proceeds of sale of the 2014 Bonds, \$_____ (face amount of 2014 Bonds less underwriter's discount of \$_____, together with \$_____ transferred from the funds, accounts and subaccounts for the Refunded Bonds, shall be delivered to the Trustee by the District and be applied as follows:

(1) \$_____ of 2014 Bond Proceeds, representing the 2014 Reserve Account Requirement shall be deposited to the 2014 Reserve Account;

(2) \$_____ of 2014 Bond Proceeds, representing costs of issuance relating to the 2014 Bonds shall be deposited to the credit of the 2014 Costs of Issuance Account;

(3) \$_____ of the proceeds of the 2014 Bonds, together with \$_____ from the funds, accounts and subaccounts for the Refunded Bonds, including the reserve account for the Refunded Bonds shall be deposited on the date of delivery of the 2014 Bonds to the escrow fund created pursuant to the Escrow Deposit Agreement; and

(4) Any moneys in the funds, accounts and subaccounts for the Refunded Bonds not applied as provided above shall be deposited to the 2014 Revenue Account.

Section 403. 2014 Costs of Issuance Account. Amounts in the 2014 Costs of Issuance Account shall, at the written direction of an Authorized Officer to the Trustee, be used to pay the costs of issuance relating to the 2014 Bonds. One hundred and twenty (120) days from the date of initial delivery of the 2014 Bonds, any amounts on deposit in the 2014 Costs of Issuance Account for which the Trustee does not have a pending requisition shall be deposited to the 2014 Revenue Account.

Section 404. 2014 Reserve Account. Amounts on deposit in the 2014 Reserve Account, except as provided elsewhere in this Supplemental Indenture or the Master Trust Indenture shall be used only for the purpose of making payments into the 2014 Interest Account and the 2014 Sinking Fund Account to pay the 2014 Bonds, without distinction as to 2014 Bonds and without privilege or priority of one 2014 Bond over another, when due when the moneys on deposit in such Accounts and available therefor are insufficient.

The Trustee, on or before the fortieth day (or if such day is not a Business Day, on the Business Day next preceding such day) next preceding each Interest Payment Date, after taking into account all payments and transfers made as of such date, shall compute the value of the 2014 Reserve Account and shall promptly notify the District of the amount of any deficiency or surplus as of such date in such account. The District shall immediately pay the amount of any deficiency to the Trustee, for deposit into such account, from available 2014 Pledged Revenues. The Trustee as soon as practical after such computation shall, transfer any surplus into the Prepayment Account to be used for extraordinary mandatory redemption of 2014 Bonds as provided herein and therein.

On the earliest date on which there is on deposit in the 2014 Reserve Account sufficient monies taking into account other monies available therefor, to pay and redeem all of the Outstanding 2014 Bonds, together with interest on such 2014 Bonds to the earliest date of redemption permitted therein and herein, then the Trustee shall transfer the amount on deposit in the 2014 Reserve Account into the Prepayment Account to pay and redeem all of the Outstanding 2014 Bonds on the earliest date permitted for redemption therein and herein.

Section 405. Application of Prepayments. All 2001 Prepayment Principal shall upon receipt by the Trustee be deposited to the Prepayment Account. At the time the District deposits 2001 Prepayment Principal with the Trustee, it shall notify the Trustee in writing as to the amount of such 2001 Prepayment Principal. Amounts on deposit in the Prepayment Account shall be applied to the extraordinary mandatory redemption of the 2014 Bonds as provided for

herein and therein. Interest due in regards to such extraordinary mandatory redemption shall be paid from the 2014 Interest Account.

Section 406. Tax Covenants. The District shall comply with the provisions set forth in the District's tax certificate included as part of the closing transcript for the 2014 Bonds, as amended and supplemented from time to time (the "Tax Regulatory Covenants") in accordance with their terms.

Section 407. Application of Certain Amounts and Investment Earnings.

(a) The District shall deposit 2001 Assessment Revenues with the Trustee promptly upon receipt thereof, with a written accounting setting forth the amounts of such 2001 Assessment Revenues in the following categories which shall be deposited by the trustee into the Funds and Accounts established hereunder as follows:

(i) 2001 Assessment Interest which shall be deposited into the 2014 Interest Account;

(ii) 2001 Assessment Principal, which shall be deposited into the 2014 Sinking Fund Account;

(iii) 2001 Prepayment Principal, which shall be deposited into the Prepayment Account;

(iv) Delinquent 2001 Assessment Principal, which shall first be applied to restore the amount of any withdrawal from the 2014 Reserve Account to pay the principal 2014 Bonds, and, the balance, if any, shall be deposited into the 2014 Sinking Fund Account;

(v) Delinquent 2001 Assessment Interest, which shall first be applied to restore the amount of any withdrawal from the 2014 Reserve Account to pay the interest on 2014 Bonds, and, the balance, if any, deposited into the 2014 Interest Account; and

(vi) all other 2001 Assessment Revenues, which shall be deposited into the 2014 Revenue Account.

(b) On each March 15 and September 15 (or if such March 15 or September 15 is not a Business Day, on the Business Day next preceding such day), the Trustee shall determine the amount on deposit in the Prepayment Account and if the balance therein is greater than zero, shall transfer, but only after determining that following such transfer sufficient moneys will remain in the 2014 Revenue Account to meet the obligations in (c) below on the immediately following May 1 or November 1, as applicable, from the 2014 Revenue Account, for deposit into the Prepayment Account, an amount sufficient to increase the amount on deposit therein to the next integral multiple of \$5,000, and, shall thereupon give notice and cause the extraordinary mandatory redemption of 2014 Bonds on the next succeeding Interest Payment Date in the maximum aggregate principal amount for which moneys are then on deposit in such

Prepayment Subaccount in accordance with the provisions for extraordinary redemption of 2014 Bonds as set forth therein.

(c) On each May 1 and November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such date), the Trustee shall transfer from amounts on deposit in the 2014 Revenue Account to the Funds and Accounts designated below, the following amounts in the following order of priority and apply such amounts as provided below:

FIRST, to the 2014 Interest Account of the Debt Service Fund, an amount equal to the amount of interest payable on all 2014 Bonds then Outstanding on such May 1 or November 1, less any amount already on deposit in the 2014 Interest Account not previously credited;

SECOND, on each May 1 to the 2014 Sinking Fund Account an amount equal to the principal amount of 2014 Serial Bonds maturing on such May 1 or an amount equal to the Amortization Installments of 2014 Term Bonds due on such May 1, less any amount already on deposit in such Sinking Fund Account not previously credited;

THIRD, to the 2014 Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the 2014 Reserve Account Requirement; and

FOURTH, the balance shall be retained in the 2014 Revenue Account.

(d) On any date required by the Tax Regulatory Covenants, the District shall give the Trustee written direction, and the Trustee shall, transfer from the 2014 Revenue Account in accordance with the Tax Regulatory Covenants, the amount due and owing to the United States, which amount shall be paid, to the United States, when due, in accordance with such Tax Regulatory Covenants. To the extent insufficient moneys are on deposit in the 2014 Revenue Account to make the transfer provided for in the immediately preceding sentence the District shall deposit with the Trustee from available moneys of the District the amount of any such insufficiency.

(e) Anything herein or in the Master Indenture to the contrary notwithstanding, amounts in all of the Funds and Accounts held as security for the 2014 Bonds shall be invested only in 2014 Investment Obligations, and earnings on investments in the 2014 Interest Account, the 2014 Sinking Fund Account, the 2014 Revenue Account and the Prepayment Account shall be deposited, as realized, to the credit of the 2014 Revenue Account and used for the purpose of such Account. Earnings on investments in the 2014 Reserve Account (to the extent there is a surplus in the 2014 Reserve Account) and 2014 Costs of Issuance Account shall be deposited in the 2014 Revenue Account unless otherwise directed by the District.

ARTICLE V

CONCERNING THE TRUSTEE

Section 501. Acceptance by Trustee. The Trustee accepts the trusts declared and provided in this Fifth Supplemental Indenture and agrees to perform such trusts upon the terms

and conditions set forth in the Master Indenture as modified by this Fifth Supplemental Indenture and subject to the rights and remedies set forth in Articles VI of the Master Indenture.

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

Section 503. **Trustee's Duties.** Except as otherwise expressly stated in this Fifth Supplemental Indenture, nothing contained herein shall limit the rights, benefits, privileges, protection and entitlements inuring to the Trustee under the Master Indenture, including, particularly, Article VI thereof, all of which shall apply to the actions of the Trustee under this Fifth Supplemental Indenture.

ARTICLE VI

MISCELLANEOUS

Section 601. **Confirmation of Master Indenture.** As supplemented by this Fifth Supplemental Indenture, the Master Indenture is in all respect ratified and confirmed, and this Fifth Supplemental Indenture shall be read, taken and construed as a part of the Master Indenture so that all of the rights, remedies, terms, conditions, covenants and agreements of the Master Indenture, except insofar as modified herein, shall apply and remain in full force and effect with respect to this Fifth Supplemental Indenture and to the 2014 Bonds issued hereunder. To the extent of any conflicts between the terms and provisions of the Master Indenture and this Fifth Supplemental Indenture the terms and provisions hereof shall control.

Section 602. **Collection of 2001 Assessments.** The 2001 Assessments shall be collected by the District through the uniform method for the levy, collection and enforcement afforded by Sections 197.3632 and 197.3635, Florida Statutes, (the "Uniform Method"). Such covenant does not preclude the District from using any other available method.

Section 603. **Brokerage Confirmations.** The District acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the District the right to receive individual confirmations of security transactions at no additional cost, as they occur, the District specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the District periodic cash transaction statements that include detail for all investment transactions made by the Trustee hereunder.

Section 604. **Payment Dates.** In any case in which an Interest Payment Date or the maturity date of the 2014 Bonds or the date fixed for the redemption of any 2014 Bonds shall be other than a Business Day, then payment of interest, principal or redemption premium 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 605. **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 2014 Bonds.

Section 606. Continuing Disclosure [Certificate]. Contemporaneously with the execution and delivery hereof, the District has executed and delivered a Continuing Disclosure [Certificate] in order to comply with the requirements of Rule 15c2-12 promulgated under the Securities and Exchange Act of 1934. The District covenants and agrees to comply with the provisions of such Continuing Disclosure [Certificate]; however, as set forth therein, failure to so comply shall not constitute an Event of Default hereunder, but, instead shall be enforceable by mandamus, injunction or any other means of specific performance.

Section 607. Additional Covenant Regarding 2001 Assessments. In addition, and not in limitation of, the covenants contained elsewhere in this Fifth Supplemental Indenture and in the Master Indenture, the District covenants to comply with the terms of the Assessment Proceeding, and to levy the 2001 Assessments in such manner as will generate funds sufficient to pay the principal of and interest on the 2014 Bonds, when due.

The District further covenants and agrees that it will not reduce the 2001 Assessment on any tax parcel from that set forth in the Assessment Proceeding on account of any reduction in debt service on the 2014 Bonds resulting from a redemption of 2014 Bonds from amounts deposited into the Prepayment Account except to the extent such 2001 Assessment was prepaid.

Section 608. Covenant with Regard to Enforcement and Collection of Delinquent 2001 Assessments. Anything herein or in the Master Indenture to the contrary notwithstanding, the District covenants and agrees 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 2001 Assessments, the provisions for the foreclosure of liens thereof and will take such other appropriate remedial actions as shall be directed by the Trustee acting at the direction of, and on behalf of, the Majority Owners. The Trustee shall be entitled, but not obligated, to take such action without the direction of the Majority Owner unless directed otherwise by the Majority Owners.

Section 609. 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 Owners.

Section 610. Amendments to Master Indenture; Additional Events of Default and Remedies. Section 902 of the Master Indenture is hereby supplemented with respect to the 2014 Bonds by inserting at the conclusion thereof the following paragraph:

(h) Any portion of the 2001 Assessments shall have become delinquent and as a result of such delinquency the Indenture provides for the Trustee to withdraw funds from the 2014 Reserve Account to pay debt service on the 2014 Bonds (regardless of whether the Trustee does or does not, per the direction of the Majority Owners, actually withdraw such funds from the 2014 Reserve Account to pay debt service on the 2014 Bonds).

Section 904 of the Master Indenture is hereby amended with respect to the 2014 Bonds by inserting at the conclusion thereof the following paragraph:

“Notwithstanding anything to the contrary herein and, unless otherwise directed by the Majority Owners, to the extent allowed pursuant to Federal or State law, the District acknowledges and agrees that (i) upon failure of any property owner to pay 2001 Assessments collected directly by the District when due, that the entire balance of such 2001 Assessments on the delinquent property, with interest and penalties thereon, shall be accelerated and shall immediately become due and payable and the District shall promptly, but in any event within one hundred and eighty (180) days, cause to be commenced the necessary legal proceedings for the foreclosure of liens of such delinquent 2001 Assessments, including interest and penalties and (ii) the foreclosure proceedings shall be prosecuted to a sale and conveyance of the property involved in said proceedings as may then be provided by law in suits to foreclose mortgages.”

Section 611. Additional Bonds. The District shall not issue any obligations other than the 2014 Bonds payable from the 2014 Trust Estate other than refunding bonds, the issuance of which produces net present value debt service saving, nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge, payable from the 2014 Trust Estate. Such covenant shall not prohibit the District from issuing Bonds for capital projects located in or outside the District provided such Bonds are not secured by any of the 2014 Trust Estate. In addition, the District covenants not to issue Bonds other than the 2014 Bonds secured by Assessments on assessable lands within the District for capital projects unless at least ninety percent (90%) of the total residential units planned for land encumbered by the 2001 Assessments have been built, sold and closed to end-users. The Trustee may rely on a certificate from the District regarding such status of the residential units.

Section 612. Provision Relating to Bankruptcy or Insolvency of Landowner. The provisions of this Section 612 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 at least three percent (3%) of the then outstanding 2001 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”). For as long as any 2014 Bonds remain Outstanding, in any Proceeding involving the District, any Insolvent Taxpayer, the Trustee, the 2014 Bonds or the 2001 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 2014 Bonds or for as long as any 2014 Bonds remain Outstanding, in any proceeding involving the District, any Insolvent Taxpayer, the 2014 Bonds or the 2001 Assessments or the Trustee. The District agrees that it shall not be a defense to a breach of the foregoing covenant that it has acted upon advice of counsel in not complying with this covenant.

The District acknowledges and agrees that, although the 2014 Bonds were issued by the District, the Owners of the 2014 Bonds are categorically the party with the ultimate financial stake in the transaction and, consequently, the party with a vested and pecuniary interest in a Proceeding. In the event of any Proceeding involving an Insolvent Taxpayer: (a) the District hereby agrees that it shall follow the direction of the Trustee in making any election, giving any consent, commencing any action or filing any motion, claim, obligation, notice or application or in taking any other action or position in any Proceeding or in any action related to a Proceeding

that affects, either directly or indirectly, the 2001 Assessments, the 2014 Bonds or any rights of the Trustee under the Indenture; (b) the District hereby agrees that it shall not make any election, give any consent, commence any action or file any motion, claim, obligation, notice or application or take any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the 2001 Assessments, the 2014 Bonds or any rights of the Trustee under the Indenture that are inconsistent with any direction from the Trustee; (c) the Trustee shall have the right, but is not obligated to, (i) file and vote in any such Proceeding any and all claims of the District, and seek or oppose any relief in any such Proceeding that the District, as claimant with respect to the 2001 Assessments, would have the right to pursue, 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 and/or defend any claims and proofs of claims, to vote to accept or reject a plan, to seek dismissal of the Proceeding, to seek stay relief to commence or continue foreclosure or pursue any other available remedies as to the 2001 Assessments, to seek substantive consolidation, to seek to shorten the Insolvent Taxpayer's exclusivity periods or to oppose any motion to extend such exclusivity periods, to oppose any motion for use of cash collateral or for authority to obtain financing, to oppose any sale procedures motion or any sale motion, to propose a competing plan of reorganization or liquidation, or to make any election under Section 1111(b) of the Bankruptcy Code and (d) the District shall not challenge the validity or amount of any claim submitted in good faith in such Proceeding by the Trustee or any valuations of the lands owned by any Insolvent Taxpayer submitted in good faith by the Trustee in such Proceeding or take any other action in such Proceeding, which is adverse to Trustee's enforcement of the District's claim and rights with respect to the 2001 Assessments or receipt of adequate protection (as that term is defined in the Bankruptcy Code). Without limiting the generality of the foregoing, the District agrees that the Trustee shall have the right (i) to file a proof of claim with respect to the 2001 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 the immediately preceding paragraphs, nothing in this Section 612 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 2001 Assessments whether such claim is pursued by the District or the Trustee; provided, however, that the District shall not oppose any relief sought by the Trustee under the authority granted to the Trustee in clause (c) of the paragraph above.

IN WITNESS WHEREOF, Harmony Community Development District has caused these presents to be signed in its name and on its behalf by its Chairman, and its official seal to be hereunto affixed and attested by its Secretary, thereunto duly authorized, and to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be signed in its name and on its behalf by its duly authorized officer.

**HARMONY COMMUNITY DEVELOPMENT
DISTRICT**

[SEAL]

By: _____
Chairman, Board of Supervisors

ATTEST:

By: _____
Secretary

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

By: _____
Vice President

EXHIBIT "A"

Form of the 2014 Bond

See Attached

No. 2013R-1

\$ _____

United States of America
 State of Florida
**HARMONY COMMUNITY DEVELOPMENT DISTRICT
 CAPITAL IMPROVEMENT REVENUE REFUNDING BOND, SERIES 2013**

Interest <u>Rate</u> _____%	Maturity <u>Date</u> May 1, _____	Dated <u>Date</u> _____, 2013	<u>CUSIP</u>
-----------------------------------	---	-------------------------------------	--------------

Registered Holder: CEDE & CO.
 Principal Amount: _____ MILLION _____ HUNDRED _____
 THOUSAND AND NO/100 DOLLARS

THE HARMONY COMMUNITY DEVELOPMENT DISTRICT HAS ESTABLISHED A BOOK ENTRY SYSTEM OF REGISTRATION FOR THIS 2014 BOND. EXCEPT AS SPECIFICALLY PROVIDED OTHERWISE IN THE INDENTURE, CEDE & CO., AS NOMINEE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (DTC), WILL BE THE REGISTERED HOLDER AND WILL HOLD THIS BOND ON BEHALF OF EACH BENEFICIAL HOLDER HEREOF. BY ACCEPTANCE OF A CONFIRMATION OF PURCHASE, DELIVERY OR TRANSFER, EACH BENEFICIAL OWNER OF THIS 2014 BOND SHALL BE DEEMED TO HAVE AGREED TO SUCH ARRANGEMENT. CEDE & CO., AS REGISTERED HOLDER OF THIS BOND, MAY BE TREATED AS THE HOLDER OF IT FOR ALL PURPOSES.

UNLESS THIS 2014 BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF DTC TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, WITH RESPECT TO ANY 2014 BOND REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC, ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED HOLDER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

HARMONY COMMUNITY DEVELOPMENT DISTRICT, a community development district duly created and existing pursuant to Chapter 190, Florida Statutes (the "District"), for value received, hereby promises to pay (but only out of the sources hereinafter mentioned) to the Registered Holder set forth above, or registered assigns, on the maturity date shown hereon, unless this 2014 Bond shall have been called for redemption in whole or in part and payment of the redemption price shall have been duly made or provided for, the principal amount shown above and to pay (but only out of the sources hereinafter mentioned) interest on the outstanding principal amount hereof from the most recent Interest Payment Date to which interest has been paid or provided for, or if no interest has been paid, from the Dated Date shown above, on May 1 and November 1 of each year (each, an Interest Payment Date), commencing on May 1, 2015, until payment of said principal sum has been made or provided for, at the rate per annum set

forth above. Notwithstanding the foregoing, if any Interest Payment Date is not a Business Day (as defined in the Indenture hereinafter mentioned), then all amounts due on such Interest Payment Date shall be payable on the first Business Day succeeding such Interest Payment Date, but shall be deemed paid on such Interest Payment Date. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture (as hereinafter defined), be paid to the Registered Holder hereof at the close of business on the regular record date for such interest, which shall be the fifteenth (15th) day of the calendar month next preceding such Interest Payment Date, or if such day is not a Business Day on the Business Day immediately preceding such day; provided, however, that on or after the occurrence and continuance of an Event of Default under clause (a) of Section 902 of the Master Indenture (hereinafter defined), the payment of interest and principal or redemption price shall be made by the Paying Agent (hereinafter defined) to such person, who, on a special record date which is fixed by the Trustee, which shall be not more than fifteen (15) and not less than ten (10) days prior to the date of such proposed payment, appears on the registration books of the Bond Registrar as the Registered Holder of this 2014 Bond. Any payment of principal, or redemption price shall be made by wire transfer or other agreed to means but the final payment of principal shall be made only upon presentation hereof at the designated office of U.S. Bank National Association, located in Orlando, Florida, or any alternate or successor paying agent (collectively, "the Paying Agent"). Payment of interest shall be made by check or draft or by wire transfer to the Registered Holder set forth above if such Holder requests payment by wire transfer in writing on or prior to the regular record date for the respective interest payment to such account as shall be specified in such request, but only if the Registered Holder set forth above owns not less than \$1,000,000 in aggregate principal amount of the 2014 Bonds or all of the then Outstanding 2014 Bonds, as defined below. Interest on this 2014 Bond will be computed on the basis of a 360-day year of twelve 30-day months.

This Bond is one of a duly authorized issue of bonds of the District designated Capital Improvement Revenue Refunding Bonds, Series 2014 (the "2014 Bonds") issuable under and governed by the terms of a Master Trust Indenture, dated as of December 1, 2000 (the "Master Indenture"), between the District and U.S. Bank National Association as ultimate successor to First Union National Bank, as trustee (the "Trustee"), as supplemented by a Fifth Supplemental Trust Indenture, dated as of _____ 1, 2014 (the "Supplemental Indenture"), between the District and the Trustee (the Master Indenture as supplemented by the Supplemental Indenture is hereafter referred to as the "Indenture"). The 2014 Bonds are issued in an aggregate principal amount of \$ _____, for the purposes of together with other legally available monies of the District (i) defeasing and refunding all of the District's Outstanding Capital Improvement Revenue Bonds, Series 2001 (Special Assessments); (ii) paying certain costs associated with the issuance of the 2014 Bonds and; (iii) making a deposit into the 2014 Reserve Account for the benefit of all of the 2014 Bonds.

NEITHER THIS 2014 BOND NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF FLORIDA. THIS 2014 BOND AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON AND THEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN UPON ANY PROPERTY OF THE DISTRICT OTHER THAN AS PROVIDED IN THE INDENTURE. NO

HOLDER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE, OR THE 2014 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE, OR THE 2014 BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE 2014 TRUST ESTATE, ALL AS PROVIDED HEREIN AND IN THE INDENTURE.

All acts, conditions and things required by the Constitution and laws of the State of Florida and the resolutions of the District to happen, exist and be performed precedent to and in the issuance of this 2014 Bond and the execution of the Indenture, have happened, exist and have been performed as so required. This 2014 Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Indenture until it shall have been authenticated by the execution by the Trustee of the Certificate of Authentication endorsed hereon.

IN WITNESS WHEREOF, Harmony Community Development District has caused this 2014 Bond to bear the signature of the Chairman of its Board of Supervisors and the official seal of the District to be impressed or imprinted hereon and attested by the signature of the Secretary to the Board of Supervisors.

**HARMONY COMMUNITY
DEVELOPMENT DISTRICT**

(SEAL)

By: _____
Chairman, Board of Supervisors

ATTEST:

By: _____
Secretary

CERTIFICATE OF AUTHENTICATION

This 2014 Bond is one of the Bonds of the Series designated herein, described in the within-mentioned Indenture.

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

By: _____
Vice President

Date of Authentication:

This 2014 Bond is issued under and pursuant to the Constitution and laws of the State of Florida, particularly Chapter 190, Florida Statutes, as amended, and other applicable provisions of law and pursuant to the Indenture, executed counterparts of which Indenture are on file at the designated office of the Trustee. Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of 2014 Bonds, the collection and disposition of revenues and the funds charged with and pledged to the payment of the principal, and redemption price of, and the interest on, the 2014 Bonds, the nature and extent of the security thereby created, the covenants of the District with respect to the levy and collection of 2001 Assessments (as defined in the Indenture), the terms and conditions under which the 2014 Bonds are or may be issued, the rights, duties, obligations and immunities of the District and the Trustee under the Indenture and the rights of the Registered Holders of the 2014 Bonds, and, by the acceptance of this 2014 Bond, the Registered and Beneficial Owners consent to all of the provisions of the Indenture. Terms not otherwise defined herein shall have the meaning ascribed to them in the Indenture. The 2014 Bonds are equally and ratably secured by the 2014 Trust Estate, without preference or priority of one 2014 Bond over another.

This 2014 Bond is transferable by the Registered Holder hereof or his duly authorized attorney at the designated corporate trust office of the Trustee in Orlando, Florida as Bond Registrar (the "Bond Registrar"), upon surrender of this 2014 Bond, accompanied by a duly executed instrument of transfer in form and with guaranty of signature reasonably satisfactory to the Bond Registrar, subject to such reasonable regulations as the District or the Bond Registrar may prescribe, and upon payment of any taxes or other governmental charges incident to such transfer. Upon any such transfer a new 2014 Bond or 2014 Bonds, in the same aggregate principal amount as the 2014 Bond or 2014 Bonds transferred, will be issued to the transferee. At the corporate trust office of the Bond Registrar in Orlando, Florida, in the manner and subject to the limitations and conditions provided in the Indenture and without cost, except for any tax or other governmental charge, 2014 Bonds may be exchanged for an equal aggregate principal amount of 2014 Bonds of the same maturity, in authorized denominations and bearing interest at the same rate or rates.

The District has established a book-entry system of registration for the 2014 Bonds. Except as specifically provided otherwise in the Indenture, an agent will hold this 2014 Bond on behalf of the Beneficial Holder hereof. By acceptance of a confirmation of purchase, delivery or transfer, the Beneficial Holder of this 2014 Bond shall be deemed to have agreed to such arrangement.

Optional Redemption

The 2014 Bonds maturing on or before May 1, 2024 are not subject to redemption at the option of the District. The 2014 Bonds maturing on or after May 1, 2025 are subject to redemption in whole or in part at the option of the District prior to maturity on May 1, 2024 and any date thereafter at the Redemption Price of 100% of the principal amount to be redeemed plus accrued interest to the redemption date.

Mandatory Redemption

The 2014 Bonds maturing on May 1, _____ are subject to mandatory redemption in part by the District lot prior to its scheduled maturity from moneys in the 2014 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable amortization installments at a redemption price of 100% of the principal amount thereof, without premium, plus accrued interest to the Redemption Date, on May 1 of the years and in the principal amounts set forth below.

<u>Year</u>	<u>Principal Amount</u>
-------------	-------------------------

*Maturity

The 2014 Bonds maturing on May 1, _____ are subject to mandatory redemption in part by the District lot prior to its scheduled maturity from moneys in the 2014 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable amortization installments at a redemption price of 100% of the principal amount thereof, without premium, plus accrued interest to the Redemption Date, on May 1 of the years and in the principal amounts set forth below.

<u>Year</u>	<u>Principal Amount</u>
-------------	-------------------------

Upon redemption or purchase of a 2014 Bond (other than redemption in accordance with scheduled Amortization Installments), the District shall cause to be recalculated and delivered to the Trustee a revised schedule of Amortization Installments recalculated so that Debt Service on the 2014 Bonds is amortized in substantially equal annual installments of principal and interest (subject to rounding to authorized denominations of principal) over the remaining term of the 2014 Bonds. The annual principal amounts so determined are hereinafter referred to as the "Aggregate Amortization Installments." The amortization installments as so recalculated shall not result in an increase in the principal or Aggregate Amortization Installments in any one year.

Extraordinary Mandatory Redemption

The 2014 Bonds are subject to extraordinary mandatory redemption prior to scheduled maturity, in whole on any date or in part on any Interest Payment Date, and if in part by lot in the manner determined by the Bond Registrar and as otherwise provided in the Indenture, at the redemption price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, (i) if and to the extent that moneys are transferred to the Prepayment Account following the prepayment of 2001 Assessments and, (ii) when the amount on deposit in the 2014 Reserve Account, together with other moneys available therefor, are sufficient to pay and redeem all 2014 Bonds then Outstanding as provided in the Supplemental Indenture.

Except as otherwise provided in the Indenture, if less than all of the 2014 Bonds subject to redemption shall be called for redemption, the particular such 2014 Bonds or portions of such 2014 Bonds to be redeemed shall be selected by lot by the Registrar as provided in the Indenture.

Notice of each redemption of 2014 Bonds is required to be mailed by the Bond Registrar, postage prepaid, not less than thirty (30) nor more than forty-five (45) days prior to the redemption date to each Registered Holder of 2014 Bonds to be redeemed at the address of such Registered Holder recorded on the bond register maintained by the Bond Registrar. On the date designated for redemption, notice having been given and money for the payment of the redemption price being held by the Paying Agent, all as provided in the Indenture, the 2014 Bonds or such portions thereof so called for redemption shall become and be due and payable at the redemption price provided for the redemption of such 2014 Bonds or such portions thereof on such date, interest on such 2014 Bonds or such portions thereof so called for redemption shall cease to accrue, such 2014 Bonds or such portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Indenture and the Holders thereof shall have no rights in respect of such 2014 Bonds or such portions thereof so called for redemption except to receive payments of the redemption price thereof so held by the Paying Agent. Further notice of redemption shall be given by the Bond Registrar to certain registered securities depositories and information services as set forth in the Indenture, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

The Holder of this 2014 Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

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

Any moneys held by the Trustee or Paying Agent in trust for the payment and discharge of any 2014 Bond which remain unclaimed for two (2) years after the date when such 2014 Bond has become due and payable, either at its stated maturity date or by call for earlier redemption, if such moneys were held by the Trustee or any Paying Agent at such date, or for two (2) years after the date of deposit of such moneys if deposited with the Trustee or Paying Agent after the date when such 2014 Bond became due and payable, shall be paid to the District, and thereupon and thereafter no claimant shall have any rights against the Trustee or Paying Agent to or in respect of such moneys.

This 2014 Bond shall have all the qualities and incidents, including negotiability, of investment securities within the meaning and for all the purposes of the Uniform Commercial Code of the State of Florida, however, the 2014 Bonds may only be transferred as provided in the Indenture.

This 2014 Bond is issued with the intent that the laws of the State of Florida shall govern its construction.

[FORM OF ABBREVIATIONS FOR 2014 BONDS]

The following abbreviations, when used in the inscription on the face of the within 2014 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 tenant by the entireties

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

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

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

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within 2014 Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney to transfer the said 2014 Bond on the books of the District, with full power of substitution in the premises.

Date: _____
Social Security Number of Employer _____
Identification Number of Transferee: _____
Signature guaranteed: _____

NOTICE: The assignor's signature to this Assignment must correspond with the name as it appears on the face of the within 2014 Bond in every particular without alteration or any change whatever.

By: _____
Authorized Signatory

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry, no matter how small, should be recorded to ensure the integrity of the financial statements. This includes not only sales and purchases but also expenses, income, and any other financial activity.

The second part of the document provides a detailed breakdown of the accounting process. It starts with the identification of the accounting cycle, which consists of eight steps: identifying the accounting cycle, analyzing and journalizing the transactions, posting to the ledger, determining debits and credits, preparing a trial balance, adjusting entries, preparing financial statements, and closing the books.

The third part of the document focuses on the preparation of financial statements. It explains how to use the trial balance to identify any errors and how to prepare the income statement, balance sheet, and statement of owner's equity. It also discusses the importance of comparing these statements to the previous period to identify trends and changes.

The fourth part of the document discusses the importance of internal controls. It explains how to design and implement controls to prevent errors and fraud, and how to monitor and evaluate the effectiveness of these controls. It also discusses the role of the auditor in verifying the accuracy of the financial statements.

The fifth part of the document discusses the importance of ethical behavior in accounting. It explains how to identify and avoid conflicts of interest, how to maintain confidentiality, and how to report any unethical behavior to the appropriate authorities.

The sixth part of the document discusses the importance of staying up-to-date on changes in accounting standards and regulations. It explains how to research and interpret these changes, and how to apply them to the company's financial statements.

The seventh part of the document discusses the importance of communication in accounting. It explains how to communicate financial information to management, investors, and other stakeholders, and how to use this information to make informed decisions.

The eighth part of the document discusses the importance of technology in accounting. It explains how to use accounting software to automate the accounting process, and how to use data analysis tools to identify trends and changes in the financial data.

The ninth part of the document discusses the importance of risk management in accounting. It explains how to identify and assess the risks associated with the company's financial activities, and how to develop and implement strategies to mitigate these risks.

The tenth part of the document discusses the importance of continuous improvement in accounting. It explains how to regularly review and evaluate the accounting process, and how to make changes to improve efficiency and accuracy.

fmsbonds
Municipal Bond Specialists

June 3, 2014

Board of Supervisors
Harmony Community Development District
Osceola County, Florida
Attention: Chairperson

Re: Harmony CDD, Series 2014 Bonds

Dear Chairperson:

We are writing to provide you, as Harmony Community Development District the "Issuer"), with certain disclosures relating to the captioned bond issue (the "Bonds"), as required by the Municipal Securities Rulemaking Board (MSRB) Rule G-17 as set forth in MSRB Notice 2012-25 (May 7, 2012)¹ (the "Notice").

The Issuer has engaged FMSbonds, Inc. to serve as underwriter, and not as a financial advisor or municipal advisor, in connection with the issuance of the Bonds. As part of our services as underwriter, FMSbonds, Inc. may provide advice concerning the structure, timing, terms, and other similar matters concerning the issuance of the Bonds. We may also have provided such advice as part of the process of seeking to be selected to serve as your underwriter. Any such advice was provided by FMSbonds, Inc. as an underwriter and not as your financial advisor in this transaction.

Pursuant to the Notice, we are required by the MSRB to advise you that:

- MSRB Rule G-17 requires an underwriter to deal fairly at all times with both municipal issuers and investors.
- The underwriter's primary role is to purchase the Bonds with a view to distribution in an arm's-length commercial transaction with the Issuer. As such, the underwriter has financial and other interests that differ from those of the Issuer.
- Unlike a municipal advisor, the underwriter does not have a fiduciary duty to the Issuer under the federal securities laws and are, therefore, not required by federal law to act in the best interests of the Issuer without regard to their own financial or other interests.
- The underwriter has a duty to purchase the Bonds from the Issuer at a fair and reasonable price, but must balance that duty with its duty to sell the Bonds to investors at prices that are fair and reasonable.

¹ Interpretive Notice Concerning the Application of MSRB Rule G-17 to underwriters of Municipal Securities (effective August 2, 2012).

- As underwriter, we will review the disclosure document for the Bonds in accordance with, and as part of, our responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction.²

The underwriter will be compensated by a fee and/or an fee that will be set forth in the bond purchase agreement to be negotiated and entered into in connection with the issuance of the Bonds. Payment or receipt of the underwriting fee or discount will be contingent on the closing of the transaction and the amount of the fee or discount may be based, in whole or in part, on a percentage of the principal amount of the Bonds. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since an underwriter may have an incentive to recommend a transaction that is unnecessary or to recommend that the size of a transaction be larger than is necessary.

Please note nothing in this letter is an expressed nor an implied commitment by us to provide financing or to purchase or place the Bonds or any other securities. Any such commitment shall only be set forth in a bond purchase agreement or other appropriate form of agreement for the type of transaction undertaken by you.

Further, our participation in any transaction (contemplated herein or otherwise) remains subject to, among other things, the execution of a bond purchase agreement (or other appropriate form of agreement), further internal review and approvals, satisfactory completion of our due diligence investigation and market conditions.

FMSbonds, Inc. is acting independently in seeking to act as an underwriter in the transactions contemplated herein and shall not be deemed for any purpose to be acting as an agent, joint venturer or partner of any other principal involved in the proposed financing. FMSbonds, Inc. assumes no responsibility, express or implied, for any actions or omissions of, or the performance of services by, the other underwriters in connection with the transactions contemplated herein or otherwise.

If you or any other Issuer representatives have any questions or concerns about these disclosures, please make those questions or concerns known immediately to the undersigned. In addition, Issuer should consult with its own financial, municipal, legal, accounting, tax and other advisors, as applicable, to the extent it deems appropriate.

It is our understanding that you have the authority to bind the Issuer by contract with us, and that you are not a party to any conflict of interest relating to the subject transaction. If our understanding is incorrect, please notify the undersigned immediately.

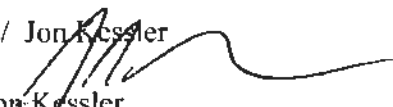
² Under federal securities law, an issuer of securities has the primary responsibility for disclosure to investors. The review of the official statement by the underwriters is solely for purposes of satisfying the underwriters' obligations under the federal securities laws and such review should not be construed by an issuer as a guarantee of the accuracy or completeness of the information in the official statement.

The MSRB requires that we seek your acknowledgement that you have received this letter. Accordingly, please send me an email to that effect, or sign and return the enclosed copy of this letter to me at the address set forth above within five (5) business days of the date of this letter. Depending on the structure of the transaction that the Issuer decides to pursue, or if additional actual or perceived material conflicts are identified, we may be required to send you additional disclosures. At that time, we also will seek your acknowledgement of receipt of any such additional disclosures.

We look forward to working with you and the Issuer in connection with the issuance of the Bonds, and we appreciate the opportunity to assist with your financing need. Thank you.

Sincerely,

/s/ Jon Kessler


Jon Kessler
FMSbonds, Inc.
Director

Acknowledgement:

Harmony Community Development District

By: _____
Steve Berube, Chairperson

cc: Mike Williams, Bond Counsel
Timothy R. Qualls, District Counsel
Gary Moyer, District Manager

PRELIMINARY LIMITED OFFERING MEMORANDUM DATED JUNE __, 2014

NEW ISSUE - BOOK-ENTRY ONLY
LIMITED OFFERING

NOT RATED

In the opinion of Bond Counsel (hereinafter defined), under existing statutes, regulations, published rulings and court decisions, and assuming compliance by the District with the tax covenants described herein, interest on the 2014 Bonds (hereinafter defined) is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. Such interest, however, will be includable in the calculation of certain corporations' alternative minimum taxable income. See "TAX MATTERS" herein regarding certain other tax considerations. Bond Counsel is further of the opinion that the 2014 Bonds and interest thereon are not subject to taxation under the laws of the State of Florida except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined in Chapter 220.

§ _____ *
HARMONY COMMUNITY DEVELOPMENT DISTRICT
(OSCEOLA COUNTY, FLORIDA)
CAPITAL IMPROVEMENT REVENUE REFUNDING BONDS, SERIES 2014

Dated: _____, 2014

Due: May 1, as shown below

The Harmony Community Development District Capital Improvement Revenue Refunding Bonds, Series 2014 (the "2014 Bonds"), are being issued by the Harmony Community Development District (the "District" or "Issuer") only in fully registered form, without coupons, in denominations of \$5,000 and any integral multiple of \$5,000 in excess thereof provided that delivery to the initial purchasers shall be in denominations of \$100,000 or integral multiples of \$5,000 in excess thereof. The 2014 Bonds will bear interest at the fixed rates set forth below, calculated on the basis of a 360-day year comprised of twelve 30-day months, payable semi-annually on each May 1 and November 1, commencing May 1, 2015. The 2014 Bonds, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC") of New York, New York. Purchases of beneficial interests in the 2014 Bonds will be made only in book-entry form. Accordingly, principal of and interest on the 2014 Bonds will be paid from the 2014 Trust Estate (as hereinafter defined) by U S Bank National Association, Orlando, Florida, as trustee (the "Trustee") directly to DTC as the registered owner thereof. Disbursements of such payments to the DTC Participants (as hereinafter defined) is the responsibility of DTC and disbursements of such payments to the beneficial owners is the responsibility of DTC Participants and the Indirect Participants (as hereinafter defined), as more fully described herein. Any purchaser of a beneficial interest in a 2014 Bond must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive payment of the principal of and interest on such 2014 Bond. See "DESCRIPTION OF THE 2014 BONDS - Book-Entry System" herein.

The 2014 Bonds are being issued for the purposes of together with other legally available monies of the District: (i) defeasing and refunding all of the District's outstanding Capital Improvement Revenue Bonds, Series 2001 (the "2001 Bonds" or the "Refunded Bonds"), (ii) paying certain costs associated with the issuance of the 2014 Bonds, and (iii) making a deposit into the 2014 Reserve Account for the benefit of all of the 2014 Bonds. See "PLAN OF REFUNDING" and "ESTIMATED SOURCES AND USES" herein.

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 was established by Ordinance No. 00-05 of the Board of County Commissioners of Osceola County, Florida effective March 6, 2000 (the "Ordinance"). The 2014 Bonds are being issued pursuant to the Act, Resolution No. 2014-__ adopted by the Board of Supervisors (the "Board") of the District on June __, 2014 (the "Bond Resolution") and a Master Trust Indenture, dated as of December 1, 2000, as supplemented by a Fifth Supplemental Trust Indenture dated as of _____ 1, 2014 (collectively the "Indenture"), by and between the District and the Trustee. The 2014 Bonds are equally and ratably secured under the Indenture by a lien upon and pledge of the revenues derived by the District from the non-ad valorem special assessments (the "2001 Assessments") imposed, levied and collected by the District with respect to property specifically benefitted by the public infrastructure and other improvements financed with proceeds of the 2001 Bonds (the "2014 Pledged Revenues") and the Funds and Accounts created under the Indenture (except for the 2014 Rebate Account and the 2014 Costs of Issuance Account)(collectively, the "2014 Pledged Funds", and with the 2014 Pledged Revenues, the "2014 Trust Estate"). 2014 Pledged Revenues do not include "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. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE 2014 BONDS" herein.

The 2014 Bonds are subject to optional redemption, mandatory sinking fund and extraordinary mandatory redemption prior to maturity. See "DESCRIPTION OF THE 2014 BONDS - Redemption Provisions" herein.

NEITHER THE 2014 BONDS NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF FLORIDA. THE 2014 BONDS AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN UPON ANY PROPERTY OF THE DISTRICT OTHER THAN AS PROVIDED IN THE INDENTURE. NO HOLDER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE, OR THE 2014 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE, OR THE 2014 BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE 2014 TRUST ESTATE, ALL AS PROVIDED IN THE INDENTURE.

The 2014 Bonds involve a degree of risk (See "BONDOWNERS' RISKS" herein) and are not suitable for all investors (See "SUITABILITY FOR INVESTMENT" herein). The 2014 Bonds are not credit enhanced or rated and no application has been made for

This Preliminary Limited Offering Memorandum and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Limited Offering Memorandum constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the 2014 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.

a rating with respect to the 2014 Bonds. The 2014 Bonds are being offered initially only to "Accredited Investors" within the meaning of Chapter 517, Florida Statutes, as amended, and the rules of the Florida Department of Financial Services promulgated thereunder. Such limitation does not denote restrictions on transfer in any second market for the 2014 Bonds.

This cover page contains information for quick reference only. It is not a summary of the 2014 Bonds. Investors must read the entire Limited Offering Memorandum to obtain information essential to the making of an informed investment decision.

MATURITY SCHEDULE

\$ _____* - _____% Series 2014 Term Bond due May 1, 20____*, Price ____% CUSIP # _____**
\$ _____* - _____% Series 2014 Term Bond due May 1, 2032*, Price ____% CUSIP # _____**

The 2014 Bonds are offered for delivery when, as and if issued by the District and subject to the receipt of the approving legal opinion of Akerman LLP, Orlando, Florida, Bond Counsel. Certain legal matters will be passed upon for the District by its counsel, Young van Assenderp, P.A., Tallahassee, Florida; for the Developer (hereinafter defined) by its counsel, GrayRobinson, P.A., Orlando, Florida; for the Underwriter by its counsel, GrayRobinson, P.A., Tampa, Florida; and for the Trustee by its counsel, Holland & Knight LLP, Miami, Florida. It is expected that the 2014 Bonds will be delivered in book-entry form through the facilities of DTC on or about _____, 2014.

Dated: _____, 2014

FMSbonds, Inc.

*Preliminary, subject to change

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

HARMONY COMMUNITY DEVELOPMENT DISTRICT

BOARD OF SUPERVISORS

Steve Berube, Chairperson
Ray Walls, Vice-Chairperson
David Farnsworth, Assistant Secretary
Mark LeMenager, Assistant Secretary
Kerul Kassel, Assistant Secretary

DISTRICT MANAGER

Moyer Management Group, Inc.
Celebration, Florida

DISTRICT COUNSEL

Young van Assenderp, P.A.
Tallahassee, Florida

BOND COUNSEL

Akerman LLP
Orlando, Florida

UNDERWRITER'S COUNSEL

GrayRobinson, P.A.
Tampa, Florida

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE DISTRICT TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS LIMITED OFFERING MEMORANDUM, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE DISTRICT. THIS LIMITED OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY OF THE 2014 BONDS AND THERE SHALL BE NO OFFER, SOLICITATION, OR SALE OF ANY 2014 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) AND 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, THE DEVELOPER OR THE DEVELOPMENT (AS HEREINAFTER DEFINED) SINCE THE DATE HEREOF.

THE 2014 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 2014 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 2014 BONDS, UPON THE PROBABILITY OF ANY EARNINGS THEREON OR UPON THE ACCURACY OR ADEQUACY OF THIS LIMITED OFFERING MEMORANDUM.

“FORWARD-LOOKING STATEMENTS” ARE USED IN THIS DOCUMENT BY USING FORWARD LOOKING WORDS SUCH AS “MAY,” “WILL,” “SHOULD,” “INTENDS,” “EXPECTS,” “BELIEVES,” “ANTICIPATES,” “ESTIMATES,” OR OTHERS.

THE READER IS CAUTIONED THAT FORWARD-LOOKING STATEMENTS ARE SUBJECT TO A VARIETY OF UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER FROM THE PROJECTED RESULTS. THOSE RISKS AND UNCERTAINTIES INCLUDE GENERAL ECONOMIC AND BUSINESS CONDITIONS, CONDITIONS IN THE FINANCIAL MARKETS AND REAL ESTATE MARKET, THE DISTRICT'S COLLECTION OF ASSESSMENTS, AND VARIOUS OTHER FACTORS WHICH MAY BE BEYOND THE DISTRICT'S CONTROL. BECAUSE THE DISTRICT 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 DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER "CONTINUING DISCLOSURE" HEREIN.

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

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LIMITED OFFERING MEMORANDUM

§ _____ *

**HARMONY COMMUNITY DEVELOPMENT DISTRICT
(OSCEOLA COUNTY, FLORIDA)
CAPITAL IMPROVEMENT REVENUE REFUNDING BONDS, SERIES 2014**

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 Harmony Community Development District (the "District") of its \$ _____ * Capital Improvement Revenue Refunding Bonds, Series 2014 (the "2014 Bonds").

PROSPECTIVE INVESTORS SHOULD BE AWARE OF CERTAIN RISK FACTORS, ANY OF WHICH, IF MATERIALIZED TO A SUFFICIENT DEGREE, COULD DELAY OR PREVENT PAYMENT OF PRINCIPAL OF AND/OR INTEREST ON THE 2014 BONDS. THE 2014 BONDS ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS. THE 2014 BONDS ARE BEING OFFERED INITIALLY ONLY TO "ACCREDITED INVESTORS" WITHIN THE MEANING OF CHAPTER 517, FLORIDA STATUTES, AND THE RULES OF THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES PROMULGATED THEREUNDER. SUCH LIMITATION DOES NOT DENOTE RESTRICTIONS ON TRANSFER IN ANY SECOND MARKET FOR THE 2014 BONDS. SEE "SUITABILITY FOR INVESTMENT" AND "BONDOWNERS' RISKS" HEREIN.

The District was created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act") and was established by Ordinance No. 00-05 of the Board of County Commissioners of Osceola County, Florida effective March 6, 2000 (the "Ordinance"). The District was established for the purpose of financing and managing the acquisition, construction, maintenance and operation of certain public improvements and other public improvements within and provided in the Act without its boundaries. For more complete information about the District, its Board of Supervisors and the District Manager, see "THE DISTRICT" herein.

The 2014 Bonds are being issued pursuant to the Act, the Florida Constitution, other applicable provisions of Florida law, Resolution No. 2014-____ adopted by the Board of Supervisors (the "Board") of the District on June __, 2014 (the "Bond Resolution") and a Master Trust Indenture, dated as of December 1, 2000, as supplemented by a Fifth Supplemental Trust Indenture dated as of _____ 1, 2014 (collectively the "Indenture"), by and between the District and the Trustee. All capitalized terms used in this Limited Offering Memorandum that are defined in the Indenture and not defined herein shall have the respective meanings set forth in the Indenture. See "APPENDIX B – COPY OF MASTER TRUST INDENTURE AND FORM OF FIFTH SUPPLEMENTAL TRUST INDENTURE" hereto.

The 2014 Bonds are equally and ratably secured under the Indenture by a lien upon and pledge of the revenues derived by the District from the non-ad valorem special assessments (the "2001 Assessments") imposed, levied and collected by the District with respect to property specifically benefitted by the public infrastructure and other improvements financed with proceeds of the 2001 Bonds (the "2014 Pledged Revenues") and the Funds and Accounts created under the Indenture (except for the 2014 Rebate Account and the 2014 Costs of Issuance Account)(collectively, the "2014 Pledged Funds",

* Preliminary, subject to change.

and with the 2014 Pledged Revenues, the "2014 Trust Estate"). 2014 Pledged Revenues do not include "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. The Refunded Bonds (as defined herein) were validated by a Final Judgment of the Circuit Court of the Ninth Judicial Circuit in and for Osceola County (the "County"), rendered on August 4, 2000 and the period during which an appeal could be taken from that judgment expired with no appeal having been filed.

The District contains a total of approximately 1,020 acres of land (the "District Lands") and is located entirely in an unincorporated area of the County. Of the District Lands, 996 gross acres are subject to the 2001 Assessments (the "Development"). The District is located in the center of the Harmony DRI, an approximately 11,030 acre mixed-use planned Development of Regional Impact project located next to U.S. 192. For more information regarding the District and the Development, see "THE DISTRICT" and "THE DEVELOPMENT" herein.

The 2014 Bonds are being issued for the purposes of together with other legally available monies of the District: (i) defeasing and refunding all of the District's outstanding Capital Improvement Revenue Bonds, Series 2001 (the "2001 Bonds" or the "Refunded Bonds"), (ii) paying certain costs associated with the issuance of the 2014 Bonds, and (iii) making a deposit into the 2014 Reserve Account for the benefit of all of the 2014 Bonds. See "PLAN OF REFUNDING" and "ESTIMATED SOURCES AND USES" herein.

The District will covenant in the Indenture to comply with the continuing disclosure requirements contained in Securities and Exchange Commission Rule 15c2-12 ("Rule 15c2-12"). The Developer (as hereinafter defined) will covenant on behalf of itself and its respective successors and assigns (other than residential end users) to provide certain information regarding the lands in the District subject to the 2001 Assessments each calendar quarter so long as the Developer or its successors or assigns (other than residential end users) are an Obligated Person (as defined in the Continuing Disclosure Agreement). See "CONTINUING DISCLOSURE" herein and "APPENDIX E - PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT" hereto.

There follows in this Limited Offering Memorandum a brief description of the District and the Development, the Developer, and summaries of the terms of the 2014 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 2014 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 Indenture and the form of the Fifth Supplemental Indenture appear as APPENDIX B hereto.

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

PLAN OF REFUNDING

The District intends to use a portion of the proceeds of the 2014 Bonds, together with other legally available monies of the District, to refund the District's outstanding Refunded Bonds, which will be outstanding as of the date of closing in the principal amount of \$_____. In addition, the District will pay a redemption premium of \$_____ in connecting with the redemption of the Refunded Bonds.

To defease the Refunded Bonds, the District will enter into an Escrow Deposit Agreement (the "Escrow Agreement") with U.S. Bank National Association, as escrow agent (the "Escrow Agent"). Pursuant to the terms of the Escrow Agreement, the District will deposit with the Escrow Agent and the

Escrow Agent will irrevocably deposit to a special trust fund created under the Escrow Agreement (the "Escrow Fund") a portion of the proceeds of the 2014 Bonds and other legally available moneys of the District, which will be held uninvested in cash. The amounts on deposit in the Escrow Fund are expected to be sufficient to pay all amounts due on the Refunded Bonds through the redemption date of _____, 2014. Upon execution and delivery of the Escrow Agreement, the direction to give certain notices as required under the Indenture with respect to the Refunded Bonds and the deposit of such proceeds into the Escrow Fund, all as provided in the Escrow Agreement, in reliance on the verification report of Causey, Demgen & Moore, independent certified public accountants, described under "VERIFICATION OF MATHEMATICAL COMPUTATIONS" in this Limited Offering Memorandum, the Refunded Bonds will no longer be Outstanding under the documents governing the issuance of the Refunded Bonds and the Owners of the Refunded Bonds shall be restricted exclusively to the funds so deposited in the Escrow Deposit Trust Fund for any claims of whatsoever nature with respect to the Refunded Bonds. See "VERIFICATION OF MATHEMATICAL COMPUTATIONS" herein.

AMOUNTS HELD UNDER THE ESCROW AGREEMENT WILL NOT BE AVAILABLE TO PAY PRINCIPAL AND INTEREST ON THE 2014 BONDS.

DESCRIPTION OF THE 2014 BONDS

General Description

The 2014 Bonds are issuable only as fully registered bonds without coupons in denominations of \$5,000 and any integral multiple of \$5,000 in excess thereof provided that delivery to the initial purchasers shall be in denominations of \$100,000 or integral multiples of \$5,000 in excess thereof.

The 2014 Bonds will be dated the date of their initial issuance and delivery, and will bear interest at the fixed rates per annum set forth on the cover page hereof 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, 2015, in which case from the date of initial delivery. Interest on the 2014 Bonds will be computed on the basis of a 360-day year consisting of twelve (12) thirty (30) day months.

The 2014 Bonds will mature, subject to the redemption provisions set forth below, on the dates and in the amounts set forth on the inside cover page hereof.

The 2014 Bonds will be initially issued in the form of a separate single fully registered certificate for each maturity of the 2014 Bonds. Upon initial issuance, the ownership of the 2014 Bonds will be registered in the registration books of the District kept by the Bond Registrar in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC") of New York, New York, the initial bond depository. See "DESCRIPTION OF THE 2014 BONDS - Book-Entry System" herein.

During the period for which Cede & Co. is registered owner of the 2014 Bonds, any notices to be provided to any registered owner will be provided to Cede & Co. DTC shall be responsible for providing notices to DTC Participants (as hereinafter defined) and DTC Participants shall be responsible for providing notices to Indirect Participants (as hereinafter defined), and DTC Participants and Indirect Participants shall be responsible for providing notices to Beneficial Owners (as hereinafter defined).

The Indenture provides that the District, the Trustee, the Bond Registrar and the Paying Agent shall deem and treat the person in whose name any 2014 Bond is registered as the absolute Owner thereof for the purpose of receiving payment of or on account of the principal or redemption price of and interest

on such 2014 Bond, and for all other purposes, and the District, the Trustee, any Paying Agent and the Registrar shall not be affected by any notice to the contrary. All such payments so made to any such Owner, or upon the order of such Owner, shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable with respect to any such 2014 Bond.

U.S. Bank National Association is initially serving as the Trustee, Registrar and Paying Agent for the 2014 Bonds.

Redemption Provisions

Optional Redemption

The 2014 Bonds maturing on or before May 1, 2024 are not subject to redemption at the option of the District. The 2014 Bonds maturing on or after May 1, 2025 are subject to redemption in whole or in part at the option of the District prior to maturity on May 1, 2024 and any date thereafter at the Redemption Price of 100% of the principal amount to be redeemed plus accrued interest to the redemption date

Mandatory Sinking Fund Redemption

The 2014 Bonds maturing on May 1, ____ are subject to mandatory redemption in part by the District lot prior to its scheduled maturity from moneys in the 2014 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable amortization installments at a redemption price of 100% of the principal amount thereof, without premium, plus accrued interest to the Redemption Date, on May 1 of the years and in the principal amounts set forth below.

<u>Year</u>	<u>Principal Amount</u>
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*

*Maturity

The 2014 Bonds maturing on May 1, ____ are subject to mandatory redemption in part by the District lot prior to its scheduled maturity from moneys in the 2014 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable amortization installments at a redemption price of 100% of the principal amount thereof, without premium, plus accrued interest to the Redemption Date, on May 1 of the years and in the principal amounts set forth below

Year

Principal Amount

*

*Maturity

Upon redemption or purchase of a 2014 Bond (other than redemption in accordance with scheduled amortization installments), the District shall cause to be recalculated and delivered to the Trustee a revised schedule of amortization installments recalculated so that Debt Service on the 2014 Bonds is amortized in substantially equal annual installments of principal and interest (subject to rounding to authorized denominations of principal) over the remaining term of the 2014 Bonds. The annual principal amounts so determined are hereinafter referred to as the "Aggregate Amortization Installments." The amortization installments as so recalculated shall not result in an increase in the principal or Aggregate Amortization Installments in any one year.

Extraordinary Mandatory Redemption

The 2014 Bonds are subject to extraordinary mandatory redemption prior to scheduled maturity, in whole on any date or in part on any Interest Payment Date, and if in part by lot in the manner determined by the Bond Registrar and as otherwise provided in the Indenture, at the redemption price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, (i) if and to the extent that moneys are transferred to the Prepayment Subaccount following the Prepayment of 2001 Assessments, and (ii) when the amount on deposit in the 2014 Reserve Account, together with other moneys available therefor, are sufficient to pay and redeem all 2014 Bonds then Outstanding as provided in the Supplemental Indenture.

Notice of Redemption

Notice of each redemption of 2014 Bonds is required to be mailed by the Bond Registrar, postage prepaid, not less than thirty (30) nor more than forty-five (45) days prior to the redemption date to each Registered Holder of 2014 Bonds to be redeemed at the address of such Registered Holder recorded on the bond register maintained by the Bond Registrar. Except as otherwise provided in the Indenture, if less than all of the 2014 Bonds subject to redemption shall be called for redemption, the particular such 2014 Bonds or portions of such 2014 Bonds to be redeemed shall be selected by lot by the Registrar as provided in the Indenture.

Book-Entry System

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the 2014 Bonds. The 2014 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 2014 Bond certificate will be issued for each 2014 Bond, each in the aggregate principal amount of such issue, 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 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 highest 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 2014 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2014 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2014 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 2014 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 2014 Bonds, except in the event that use of the book-entry system for the 2014 Bonds is discontinued.

To facilitate subsequent transfers, all 2014 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 2014 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 2014 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2014 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 2014 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2014

Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2014 Bond documents. For example, Beneficial Owners of 2014 Bonds may wish to ascertain that the nominee holding the 2014 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 2014 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 2014 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 2014 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and interest payments on the 2014 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 2014 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, 2014 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, 2014 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 2014 BONDS

General

NEITHER THE 2014 BONDS NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF FLORIDA.

THE 2014 BONDS AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN UPON ANY PROPERTY OF THE DISTRICT OTHER THAN AS PROVIDED IN THE INDENTURE. NO HOLDER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE, OR THE 2014 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE, OR THE 2014 BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE 2014 TRUST ESTATE, ALL AS PROVIDED IN THE INDENTURE.

The 2014 Bonds are equally and ratably secured under the Indenture by a lien upon and pledge of the revenues derived by the District from the non-ad valorem special assessments (the "2001 Assessments") imposed, levied and collected by the District with respect to property specifically benefitted by the public infrastructure and other improvements financed with proceeds of the 2001 Bonds (the "2014 Pledged Revenues") and the Funds and Accounts created under the Indenture (except for the 2014 Rebate Account and the 2014 Costs of Issuance Account)(collectively, the "2014 Pledged Funds", and with the 2014 Pledged Revenues, the "2014 Trust Estate"). 2014 Pledged Revenues do not include "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.

The 2001 Assessments consist of the non-ad valorem special assessments imposed and levied by the District against certain lands within the District specially benefitted by the 2001 Project or any portion thereof, pursuant to Section 190.022 of the Act, resolutions of the District adopted prior to delivery of the 2014 Bonds, as amended and supplemented from time to time (collectively, the "Assessment Resolutions") and assessment proceedings conducted by the District (together with the Assessment Resolutions, the "Assessment Proceedings"). Non-ad valorem assessments are not based on millage and are not taxes, but can become a lien against the homestead as permitted in Section 4, Article X of the Florida State Constitution. The 2001 Assessments will constitute a lien against the land as to which the 2001 Assessments are imposed. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" herein.

The 2001 Assessments were initially levied, in an amount corresponding to the debt service on the Refunded Bonds, on the basis of benefit received within the District as a result of the 2001 Project and designated as such in the methodology report relating thereto. In connection with the issuance of the 2014 Bonds, the interest on the 2001 Assessments will be adjusted to reflect the corresponding debt service on the 2014 Bonds. See "THE DEVELOPMENT – Taxes, Assessments and Fees" herein for the amount of 2001 Assessments by unit type. See also "ASSESSMENT METHODOLOGY" herein and APPENDIX D hereto for more information regarding the assessment methodology.

The District and other public entities may impose taxes or other special assessments on the same properties encumbered by the 2001 Assessments without the consent of the Owners of the 2014 Bonds. Additionally, the District currently imposes and expects to continue to impose certain non-ad valorem special assessments called maintenance assessments, which are of equal dignity with the 2001 Assessments, on the same lands upon which the 2001 Assessments are imposed, to fund the maintenance and operation of the District. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2013 BONDS - Additional Obligations" and "BONDOWNERS' RISKS" herein.

Additional Bonds

In the Indenture, the District will covenant that it shall not issue any obligations other than the 2014 Bonds payable from the 2014 Trust Estate other than refunding bonds, the issuance of which produces net present value debt service saving, nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge, payable from the 2014 Trust Estate. Such covenant shall not prohibit the District from issuing Bonds for capital projects located in or outside the District provided such Bonds are not secured by any of the 2014 Trust Estate. In addition, the District covenants not to issue Bonds other than the 2014 Bonds secured by Assessments on assessable lands within the District for capital projects unless at least ninety percent (90%) of the total residential units planned for land encumbered by the 2001 Assessments have been built, sold and closed to end-users. The Trustee may rely on a certificate from the District regarding such status of the residential units.

The District and other public entities may impose taxes or other special assessments on the same properties encumbered by the 2001 Assessments without the consent of the Owners of the 2014 Bonds, and the District expects to continue to impose certain non-ad valorem special assessments called "maintenance assessments," which are of equal dignity with the 2001 Assessments on the same lands upon which the 2001 Assessments to fund a portion of the maintenance and operation costs of the District. See "BONDOWNERS' RISKS."

2014 Reserve Account

The Indenture establishes a 2014 Reserve Account within the Reserve Fund. The 2014 Reserve Account will, at the time of delivery of the 2014 Bonds, be funded in an amount equal to the 2014 Reserve Account Requirement. The 2014 Reserve Account Requirement means \$ _____, which is an amount equal to 50% of the Maximum Annual Debt Service Requirement for the 2014 Bonds at the time of issuance of the 2014 Bonds.

Amounts on deposit in the 2014 Reserve Account, except as provided elsewhere in the Indenture shall be used only for the purpose of making payments into the 2014 Interest Account and the 2014 Sinking Fund Account to pay the 2014 Bonds, without distinction as to 2014 Bonds and without privilege or priority of one 2014 Bond over another, when due when the moneys on deposit in such Accounts and available therefor are insufficient.

The Trustee, on or before the fortieth (40th) day (or if such day is not a Business Day, on the Business Day next preceding such day) next preceding each Interest Payment Date, after taking into account all payments and transfers made as of such date, shall compute the value of the 2014 Reserve Account and shall promptly notify the District of the amount of any deficiency or surplus as of such date in such account. The District shall immediately pay the amount of any deficiency to the Trustee, for deposit into such account, from available 2014 Pledged Revenues. The Trustee as soon as practical after such computation shall, transfer any surplus into the Prepayment Account to be used for extraordinary mandatory redemption of 2014 Bonds as provided in the Indenture and the 2014 Bonds.

On the earliest date on which there is on deposit in the 2014 Reserve Account sufficient monies taking into account other monies available therefor, to pay and redeem all of the Outstanding 2014 Bonds, together with interest on such 2014 Bonds to the earliest date of redemption permitted in the 2014 Bonds and the Indenture, then the Trustee shall transfer the amount on deposit in the 2014 Reserve Account into the Prepayment Account to pay and redeem all of the Outstanding 2014 Bonds on the earliest date permitted for redemption in the 2014 Bonds and the Indenture.

Flow of Funds

The District shall deposit 2001 Assessment Revenues with the Trustee promptly upon receipt thereof, with a written accounting setting forth the amounts of such 2001 Assessment Revenues in the following categories which shall be deposited by the trustee into the Funds and Accounts established hereunder as follows: (i) 2001 Assessment Interest which shall be deposited into the 2014 Interest Account; (ii) 2001 Assessment Principal, which shall be deposited into the 2014 Sinking Fund Account; (iii) 2001 Prepayment Principal, which shall be deposited into the Prepayment Account; (iv) Delinquent 2001 Assessment Principal, which shall first be applied to restore the amount of any withdrawal from the 2014 Reserve Account to pay the principal 2014 Bonds, and, the balance, if any, shall be deposited into the 2014 Sinking Fund Account; (v) Delinquent 2001 Assessment Interest, which shall first be applied to restore the amount of any withdrawal from the 2014 Reserve Account to pay the interest on 2014 Bonds, and, the balance, if any, deposited into the 2014 Interest Account; and (vi) all other 2001 Assessment Revenues, which shall be deposited into the 2014 Revenue Account.

On each March 15 and September 15 (or if such March 15 or September 15 is not a Business Day, on the Business Day next preceding such day), the Trustee shall determine the amount on deposit in the Prepayment Account and if the balance therein is greater than zero, shall transfer, but only after determining that following such transfer sufficient moneys will remain in the 2014 Revenue Account to meet the obligations in (c) below on the immediately following May 1 or November 1, as applicable, from the 2014 Revenue Account, for deposit into the Prepayment Account, an amount sufficient to increase the amount on deposit therein to the next integral multiple of \$5,000, and, shall thereupon give notice and cause the extraordinary mandatory redemption of 2014 Bonds on the next succeeding Interest Payment Date in the maximum aggregate principal amount for which moneys are then on deposit in such Prepayment Subaccount in accordance with the provisions for extraordinary redemption of 2014 Bonds as set forth therein.

On each May 1 and November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such date), the Trustee shall transfer from amounts on deposit in the 2014 Revenue Account to the Funds and Accounts designated below, the following amounts in the following order of priority and apply such amounts as provided below:

FIRST, to the 2014 Interest Account of the Debt Service Fund, an amount equal to the amount of interest payable on all 2014 Bonds then Outstanding on such May 1 or November 1, less any amount already on deposit in the 2014 Interest Account not previously credited;

SECOND, on each May 1 to the 2014 Sinking Fund Account an amount equal to the principal amount of 2014 Serial Bonds maturing on such May 1 or an amount equal to the Amortization Installments of 2014 Term Bonds due on such May 1, less any amount already on deposit in such Sinking Fund Account not previously credited;

THIRD, to the 2014 Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the 2014 Reserve Account Requirement; and

FOURTH, the balance shall be retained in the 2014 Revenue Account.

On any date required by the Tax Regulatory Covenants, the District shall give the Trustee written direction, and the Trustee shall, transfer from the 2014 Revenue Account in accordance with the Tax Regulatory Covenants, the amount due and owing to the United States, which amount shall be paid, to the United States, when due, in accordance with such Tax Regulatory Covenants. To the extent insufficient moneys are on deposit in the 2014 Revenue Account to make the transfer provided for in the immediately

preceding sentence the District shall deposit with the Trustee from available moneys of the District the amount of any such insufficiency.

Investments

Amounts in all of the Funds and Accounts held as security for the 2014 Bonds shall be invested only in 2014 Investment Obligations, and earnings on investments in the 2014 Interest Account, the 2014 Sinking Fund Account, the 2014 Revenue Account and the Prepayment Account shall be deposited, as realized, to the credit of the 2014 Revenue Account and used for the purpose of such Account. Earnings on investments in the 2014 Reserve Account (to the extent there is a surplus in the 2014 Reserve Account) and 2014 Costs of Issuance Account shall be deposited in the 2014 Revenue Account unless otherwise directed by the District.

Covenant to Levy the 2001 Assessments

The District has covenanted to comply with the terms of the Assessment Proceeding, and to levy the 2001 Assessments in such manner as will generate funds to pay the principal of and interest on the 2014 Bonds, when due.

If any 2001 Assessment shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or if the District shall be satisfied that any such 2001 Assessment is so irregular or defective that the same cannot be enforced or collected, or if the District shall have omitted to make such 2001 Assessment when it might have done so, the District has additionally covenanted to either (i) take all necessary steps to cause a new 2001 Assessment to be made for the whole or any part of such improvement or against any property benefited by such improvement; or (ii) in the District's sole discretion, make up the amount of such 2001 Assessment from legally available moneys, which moneys shall be deposited into the 2014 Revenue Account. In case such subsequent assessment shall also be annulled, the District shall obtain and make other 2001 Assessments until a valid 2001 Assessment shall be made.

Prepayment of 2001 Assessments

Pursuant to the Assessment Proceedings, the owner of property subject to the 2001 Assessments may prepay the remaining unpaid principal balance of such 2001 Assessments, plus certain interest to accrue, at any time, and pay a portion of the remaining unpaid principal balance of such 2001 Assessments, but only one time.

Also, pursuant to the terms of the Act, the owner of property subject to Series 2001 Assessments may pay the entire balance of the Series 2001 Assessments remaining due, without interest, within thirty (30) days after the Series 2001 Project has been completed and the Board has adopted a resolution accepting the Series 2001 Project as provided by Section 170.09, Florida Statutes. The previous developer waived this right for itself and its successors and assigns in connection with the issuance of the Refunded Bonds.

Any Prepayment of 2001 Assessments is to be deposited to the Prepayment Subaccount to be applied to the extraordinary mandatory redemption of a portion of the 2014 Bonds as indicated under "DESCRIPTION OF THE 2014 BONDS - Redemption Provisions - Extraordinary Mandatory Redemption." The prepayment of 2001 Assessments does not entitle the owner of the property to a discount for early payment.

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 at least three percent (3%) of the then outstanding 2001 Assessments (herein, 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"). For as long as any 2014 Bonds remain Outstanding, in any Proceeding involving the District, any Insolvent Taxpayer, the Trustee, the 2014 Bonds or the 2001 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 2014 Bonds.

In the Indenture, the District will acknowledge and agree that, although the 2014 Bonds will be issued by the District, the Owners of such 2014 Bonds are categorically the party with the ultimate financial stake in the transaction and, consequently, the party with a vested and pecuniary interest in a Proceeding. In the event of any Proceeding involving any Insolvent Taxpayer: (a) the District will agree that it shall follow the direction of the Trustee in making any election, giving any consent, commencing any action or filing any motion, claim, obligation, notice or application or in taking any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the 2001 Assessments, the 2014 Bonds or any rights of the Trustee under the Indenture; (b) the District hereby agrees that it shall not make any election, give any consent, commence any action or file any motion, claim, obligation, notice or application or take any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the 2001 Assessments, the 2014 Bonds or any rights of the Trustee under the Indenture that are inconsistent with any direction from the Trustee; (c) the Trustee shall have the right, but is not obligated to, (i) file and vote in any such Proceeding any and all claims of the District, and seek or oppose any relief in any such Proceeding that the District, as claimant with respect to the 2001 Assessments, would have the right to pursue, 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 and/or defend any claims and proofs of claims, to vote to accept or reject a plan, to seek dismissal of the Proceeding, to seek stay relief to commence or continue foreclosure or pursue any other available remedies as to the 2001 Assessments, to seek substantive consolidation, to seek to shorten the Insolvent Taxpayer's exclusivity periods or to oppose any motion to extend such exclusivity periods, to oppose any motion for use of cash collateral or for authority to obtain financing, to oppose any sale procedures motion or any sale motion, to propose a competing plan of reorganization or liquidation, or to make any election under Section 1111(b) of the Bankruptcy Code and (d) the District shall not challenge the validity or amount of any claim submitted in good faith in such Proceeding by the Trustee or any valuations of the lands owned by any Insolvent Taxpayer submitted in good faith by the Trustee in such Proceeding or take any other action in such Proceeding, which is adverse to Trustee's enforcement of the District's claim and rights with respect to the 2001 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 in the Indenture that the Trustee shall have the right (i) to file a proof of claim with respect to the 2001 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 the immediately preceding paragraphs, 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 2001 Assessments whether such claim is pursued by the District or the Trustee; provided, however, that the District shall not oppose any relief sought by the Trustee under the authority granted to the Trustee in clause (c) of the paragraph above. See "BONDOWNERS' RISKS – No. 10" herein.

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 2014 Bonds:

- (a) any payment of Debt Service on the 2014 Bonds is not made when due;
- (b) the District shall for any reason be rendered incapable of fulfilling its obligations under the Indenture;
- (c) the District admits in writing its inability to pay its debts generally as they become due, or files a petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of a receiver or trustee for itself or for the whole or any part of the 2001 Project;
- (d) the District is adjudged insolvent by a court of competent jurisdiction, or is adjudged a bankrupt on a petition in bankruptcy filed against the District, or an order, judgment or decree be entered by any court of competent jurisdiction appointing, without the consent of the District, a receiver or trustee of the District or of the whole or any part of its property and if the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within 90 days from the date of entry thereof;
- (e) the District shall file a petition or answer seeking reorganization or any arrangement under the Federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof;
- (f) under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the District's assets or any part thereof, and such custody or control shall not be terminated within 90 days from the date of assumption of such custody or control;
- (g) the District defaults in the due and punctual performance of any of the covenants, conditions, agreements and provisions contained in the 2014 Bonds or in the Indenture on the part of the District to be performed (other than a default in the payment of Debt Service on the 2014 Bonds when due, which is an Event of Default under subsection (a) above) and such default continues for 30 days after written notice specifying such default and requiring same to be remedied shall have been given to the District by the Trustee, or, if the Trustee is unwilling or unable to act, by Owners of not less than 10% in aggregate principal amount of the 2014 Bonds then Outstanding; or
- (h) in the event that any portion of the 2001 Assessments shall have become delinquent and as a result of such delinquency the Indenture provides for the Trustee to withdraw funds from the 2014 Reserve Account to pay debt service on the 2014 Bonds (regardless of whether the Trustee does or does not, per the direction of the Majority Owners actually withdraw such funds from the 2014 Reserve Account to pay debt service on the 2014 Bonds).

[Master Indenture default provisions are being reviewed.]

The District will covenant and agree in the Fifth Supplemental Indenture 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 2001 Assessments, the provisions for the foreclosure of liens thereof and will take such other appropriate remedial actions as shall be directed by the Trustee acting at the direction of, and on behalf of, the Majority Owners. The Trustee is entitled, but not obligated, to take such action without the direction of the Majority Owners unless directed otherwise by the Majority Owners. As used herein, "Majority Owners" shall mean the beneficial owners of more than 50% in principal amount of the Outstanding 2014 Bonds.

The Fifth Supplemental Indenture further provides that notwithstanding anything to the contrary in the Indenture and, unless otherwise directed by the Majority Owners, to the extent allowed pursuant to Federal or State law, the District acknowledges and agrees that (i) upon failure of any property owner to pay 2001 Assessments collected directly by the District when due, that the entire balance of such 2001 Assessments on the delinquent property, with interest and penalties thereon, shall be accelerated and shall immediately become due and payable and the District shall promptly, but in any event within one hundred and eighty (180) days, cause to be commenced the necessary legal proceedings for the foreclosure of liens of such delinquent 2001 Assessments, including interest and penalties and (ii) the foreclosure proceedings shall be prosecuted to a sale and conveyance of the property involved in said proceedings as may then be provided by law in suits to foreclose mortgages.

ENFORCEMENT OF ASSESSMENT COLLECTIONS

General

The primary source of payment for the 2014 Bonds is the 2001 Assessments imposed on certain lands in the District specially benefited by the 2001 Project pursuant to the Assessment Proceedings. See "ASSESSMENT METHODOLOGY" herein.

The determination, order, levy, and collection of 2001 Assessments must be done in compliance with procedural requirements and guidelines provided by State law. Failure by the District, the Osceola County Tax Collector (the "Tax Collector") or the Osceola 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, 2001 Assessments during any year. Such delays in the collection of 2001 Assessments, or complete inability to collect 2001 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 2014 Bonds. See "BONDOWNERS' RISKS." To the extent that landowners fail to pay the 2001 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 2014 Bonds. The Act provides for various methods of collection of delinquent 2001 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 2001 Assessments

The Florida Statutes provide that, subject to certain conditions, non-ad valorem special assessments (such as the 2001 Assessments) may be collected by using the uniform method of collection,

as set forth in Section 197.3632, Florida Statutes (the "Uniform Method"). The Uniform Method of collection is available only in the event the District complies with statutory and regulatory requirements and enters into agreements with the Tax Collector and Property Appraiser providing for the 2001 Assessments to be levied and then collected in this manner. Subject to compliance with certain deadlines imposed under applicable Florida law, the District presently anticipates continuing to use the Uniform Method of collection with respect to the 2001 Assessments. The District's election to use a certain collection method with respect to the 2001 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 2001 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 2001 Assessments 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 2001 Assessments. Upon any receipt of moneys by the Tax Collector from the 2001 Assessments, such moneys will be delivered to the District, which will remit such 2001 Assessments to the Trustee for deposit to the 2014 Revenue Account within the Revenue Fund, except that any Prepayments of 2001 Assessments shall be deposited to the Prepayment Subaccount within the 2014 Redemption Account of 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 2001 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 2001 Assessments are to be collected pursuant to the Uniform Method, any failure to pay any one line item, would cause the 2001 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 2014 Bonds.

Under the Uniform Method, if the 2001 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 2014 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 2001 Assessments, (2) that future landowners and taxpayers in the District

will pay such 2001 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 Resolution to discharge the lien of 2001 Assessments and all other liens that are coequal therewith.

Collection of delinquent 2001 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 2001 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 2001 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 2001 Assessments, which are the primary source of payment of the 2014 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 and all tax certificates and liens against the property are canceled and a deed is executed vesting title in the governing board of such County.

Foreclosure

The following discussion regarding foreclosure is not applicable if the 2001 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 2001 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 2001 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 under Chapter 702, Florida Statutes, or, in the alternative, 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 a proceeding under Chapter 173, Florida Statutes.

Enforcement of the obligation to pay 2001 Assessments and the ability to foreclose the lien of such 2001 Assessments upon the failure to pay such 2001 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 debt secured by special assessments issued by a public authority or governmental body in the State of Florida. Certain of these risks are described in other sections of this Limited Offering Memorandum, including, without limitation, "ENFORCEMENT OF ASSESSMENT COLLECTIONS." Certain additional risks are associated with the 2014 Bonds offered hereby. Investment in the 2014 Bonds poses certain economic risks. Prospective investors in the 2014 Bonds should have knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of an investment in the 2014 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 2014 Bonds and prospective purchasers are advised to read this Limited Offering Memorandum, including all appendices hereto, in its entirety for a more complete description of investment considerations relating to the 2014 Bonds.

1. Payment of the 2001 Assessments is primarily dependent upon their timely payment by the landowners in the District. In the event of the institution of bankruptcy or similar proceedings with respect to any owner of benefited property, delays could occur in the payment of debt service on the 2014 Bonds as such bankruptcy could negatively impact the ability of: (i) the landowner being able to pay the 2001 Assessments; (ii) the Tax Collector to sell tax certificates in relation to such property with respect to the 2001 Assessments being collected pursuant to the Uniform Method; and (iii) the District to foreclose the lien of the 2001 Assessments not being collected pursuant to the Uniform Method. In addition, the remedies available to the Owners of the 2014 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 2014 Bonds, including, without limitation, enforcement of the obligation to pay 2001 Assessments and the ability of the District to foreclose the lien of the 2001 Assessments, may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the 2014 Bonds (including Bond Counsel's opinions) will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery. The inability, either partially or fully, to enforce remedies available with respect to the 2014 Bonds could have a material adverse impact on the interest of the Owners thereof.

2. The principal security for the payment of the principal and interest on the 2014 Bonds is the timely collection of the 2001 Assessments. The 2001 Assessments do not constitute a personal indebtedness of the owners of the land subject thereto, but are secured by a lien on such land. There is no assurance that the owners will be able to pay the 2001 Assessments or that they will pay such 2001 Assessments even though financially able to do so. Beyond legal delays that could result from bankruptcy or other legal proceedings contesting an ad valorem tax or non-ad valorem assessment, the ability of the Tax Collector to sell tax certificates in regard to delinquent 2001 Assessments collected pursuant to the Uniform Method will be dependent upon various factors, including the interest rate which can be earned by ownership of such certificates and the value of the land which is the subject of such

certificates and which may be subject to sale at the demand of the certificate holder after two years. The assessment of the benefits received by the benefitted land within the District as a result of the improvements funded with the Refunded Bonds is not indicative of the realizable or market value of the land, which value may actually be higher or lower than the assessment of benefits. To the extent that the realizable or market value of the lands benefitted by the improvements funded with the Refunded Bonds and 2014 Bonds is lower than the assessment of benefits, the ability of the Tax Collector to sell tax certificates relating to such land or the ability of the District to realize sufficient value from a foreclosure action to pay debt service on the 2014 Bonds may be adversely affected. Such adverse effect could render the District unable to collect delinquent 2001 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 2014 Bonds.

3. The 2014 Bonds are payable solely from, and secured solely by, the 2014 Trust Estate (which consists primarily of the 2001 Assessments). None of the landowners have any personal obligation to pay the 2001 Assessments. As described herein, the 2001 Assessments are an imposition against the land only. The recourse for the failure of any landowner to pay the 2001 Assessments is limited to the collection proceedings against the land as described herein. In the event the District were to attempt to foreclose on the lien of 2001 Assessments for any unpaid 2001 Assessments, the District would be required to pay off any outstanding tax certificates (which the District may not have funds for) or the owner of such tax certificates could foreclose on the same land the District foreclosed on which could negatively impact the ability of the District to make the full or punctual payment of debt service on the 2014 Bonds. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" herein for more information regarding tax certificates.

4. The development of the District 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 improvements 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. 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.

5. 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 2014 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 and the likelihood of the timely payment of the 2014 Bonds. At the time of the delivery of the 2014 Bonds, the District is not aware 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. 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 benefitted lands within the District and no assurance can be given that unknown hazardous materials, protected animals, etc., do not currently exist or may not develop in the future whether originating within the District or from surrounding property. 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 [with the exception of the original environmental reports performed by the Developer at the time it acquired the District Lands].

6. The Development may be affected by changes in general economic conditions, fluctuations in the real estate market and other factors beyond the control of the Developer and its respective successors.

7. The willingness and/or ability of an owner of benefited land to pay the 2001 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 and special district taxes and special assessments, including the 2001 Assessments along with existing operating and maintenance assessments, and voter-approved ad valorem taxes levied to pay principal of and interest on debt, collected pursuant to the Uniform Method, are payable at one time and have equal lien status. Public entities such as the County, 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 may impose other special assessments on the same District Lands encumbered by the 2001 Assessments without the consent of the Owners of the 2014 Bonds. The District anticipates continuing to impose operating and maintenance assessments encumbering the same property encumbered by the 2001 Assessments.

8. In addition to legal delays that could result from bankruptcy or legal proceedings contesting an ad valorem tax or non-ad valorem assessment, the ability of the District to enforce collection of delinquent 2001 Assessments will be dependent upon various factors, including the delay inherent in any judicial proceeding to enforce the lien of the 2001 Assessments and the value of the land which is the subject of such proceedings and which may be subject to sale. See SECURITY FOR AND SOURCE OF PAYMENT OF THE 2014 BONDS" herein. If the District should commence a foreclosure action against a landowner for non-payment of the 2001 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 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 2014 Bond proceeds that can be used for such purpose.

9. If the District has difficulty in collecting the 2001 Assessments, the 2014 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 2014 Reserve Account and other Funds and Accounts created under the Indenture to pay its fees and expenses incurred in connection with such Event of Default. If in fact the 2014 Reserve Account is accessed for any purpose, the District does not have a designated revenue source for replenishing such account. Moreover, the District will not be permitted to re-assess real property then burdened by the 2001 Assessments in order to provide for the replenishment of the 2014 Reserve Account.

10. A recent bankruptcy court decision in Florida held that only the governing body of a community development district could vote to approve a reorganization plan submitted by the developer/debtor in the case and thus, the bondholders of such district were not able to vote for or against the plan. The governing body of that district was affiliated with the debtor. As a result of the reorganization plan that was approved, the bondholders were denied payment of their bonds for more than two (2) years or longer. In the Indenture, the District will acknowledge and agree that, although the 2014 Bonds will be issued by the District, the Owners of such 2014 Bonds are categorically the party with the

ultimate financial stake in the transaction and, consequently, the party with a vested and pecuniary interest in a Proceeding. In the event of any Proceeding involving any Insolvent Taxpayer: (a) the District will agree that it shall follow the direction of the Trustee in making any election, giving any consent, commencing any action or filing any motion, claim, obligation, notice or application or in taking any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the 2001 Assessments, the 2014 Bonds or any rights of the Trustee under the Indenture; (b) the District hereby agrees that it shall not make any election, give any consent, commence any action or file any motion, claim, obligation, notice or application or take any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the 2001 Assessments, the 2014 Bonds or any rights of the Trustee under the Indenture that are inconsistent with any direction from the Trustee; (c) the Trustee shall have the right, but is not obligated to, (i) file and vote in any such Proceeding any and all claims of the District, and seek or oppose any relief in any such Proceeding that the District, as claimant with respect to the 2001 Assessments, would have the right to pursue, 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 and/or defend any claims and proofs of claims, to vote to accept or reject a plan, to seek dismissal of the Proceeding, to seek stay relief to commence or continue foreclosure or pursue any other available remedies as to the 2001 Assessments, to seek substantive consolidation, to seek to shorten the Insolvent Taxpayer's exclusivity periods or to oppose any motion to extend such exclusivity periods, to oppose any motion for use of cash collateral or for authority to obtain financing, to oppose any sale procedures motion or any sale motion, to propose a competing plan of reorganization or liquidation, or to make any election under Section 1111(b) of the Bankruptcy Code and (d) the District shall not challenge the validity or amount of any claim submitted in good faith in such Proceeding by the Trustee or any valuations of the lands owned by any Insolvent Taxpayer submitted in good faith by the Trustee in such Proceeding or take any other action in such Proceeding, which is adverse to Trustee's enforcement of the District's claim and rights with respect to the 2001 Assessments or receipt of adequate protection (as that term is defined in the Bankruptcy Code). The District cannot express any view whether such delegation would be enforceable. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE 2014 BONDS – Indenture Provisions Relating to Bankruptcy or Insolvency.

11. 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. Certain of these proposals, if implemented, could have the effect of diminishing the value of obligations of states and their political subdivisions, such as the 2014 Bonds, by eliminating or changing the tax-exempt status of interest on certain of such bonds. Whether any of such proposals will ultimately become law, and if so, what effect such proposals could have upon the value of bonds such as the 2014 Bonds, cannot be predicted. However, it is possible that any such law could have a material and adverse effect upon the value of the 2014 Bonds.

12. The Internal Revenue Service (the "IRS" or "Service") routinely examines bonds issued by state and local governments, including bonds issued by community development districts. Currently, the IRS is examining certain issues of bonds (for purposes of this subsection, the "Audited Bonds") issued by Village Center Community Development District ("Village Center"). Village Center received a ruling dated May 30, 2013, in the form of a non-precedential technical advice memorandum ("TAM") concluding that Village Center is not a political subdivision for purposes of Section 103(a) of the Code because Village Center 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 would 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, retroactive to the date of issuance of the Audited Bonds. Village Center 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 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 or what effect the outcome may have on the Audited Bonds.

Although the TAM is addressed to, and binding only on, the IRS and Village Center in connection with the Audited Bonds, the IRS may commence additional audits of bonds issued by other community development districts on the same basis and may take the position that similar community development districts are not political subdivisions for purposes of Section 103(a) of the Code on this basis. All Supervisors on the Board of the District are currently elected by qualified electors; however, at the time the District's Refunded Bonds were issued, such Supervisors were appointed by the District. Further unlike the conclusion in the TAM regarding Village Center, 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 and that intent has been realized. However, there can be no assurance that an audit by the IRS of the 2014 Bonds will not be commenced. The District has no reason to believe that any such audit will be commenced, or any such audit, if commenced, would result in a conclusion of noncompliance with any applicable state or federal law. Bonds issued pursuant to the Indenture were validated and confirmed by a final judgment of the Circuit Court in and for the County in which it was determined, among other things, that the District has the authority under Florida law to issue bonds secured by revenues from special assessments levied and collected on lands within the District benefitting from projects and subject to assessment, that the purpose for which such bonds were issued is legal under Florida law and that the proceedings for the issuance of such bonds are fully authorized by and in compliance with Florida law. The period for appeal of the judgment of validation of such capital improvement revenue bonds, which includes the 2014 Bonds, has expired with no appeal having been filed.

Owners of the 2014 Bonds are advised that, if the IRS does audit the 2014 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 2014 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 2014 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 2014 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 Service. Further, an adverse determination by the Service with respect to the tax-exempt status of interest on the 2014 Bonds would adversely affect the availability of any secondary market for the 2014 Bonds. Should interest on the 2014 Bonds become includable in gross income for federal income tax purposes, not only will Owners of 2014 Bonds be required to pay income taxes on the interest received on such 2014 Bonds and related penalties, but because the interest rate on such 2014 Bonds will not be adequate to compensate Owners of the 2014 Bonds for the income taxes due on such interest, the value of the 2014 Bonds may decline.

THE INDENTURE DOES NOT PROVIDE FOR ANY ADJUSTMENT IN THE INTEREST RATE ON THE 2014 BONDS IN THE EVENT OF AN ADVERSE DETERMINATION BY THE SERVICE WITH RESPECT TO THE TAX-EXEMPT STATUS OF INTEREST ON THE 2014 BONDS. PROSPECTIVE PURCHASERS OF THE 2014 BONDS SHOULD EVALUATE WHETHER THEY CAN OWN THE 2014 BONDS IN THE EVENT THAT THE INTEREST ON THE 2014 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).

13. Since the 2014 Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or any state securities laws, if the District is ever determined, by the IRS, judicially or otherwise, not to be a political subdivision for purposes of the Code, it is possible that the District will be deemed to not be a political subdivision for purposes of the Securities Act. Accordingly, the District may not be able to rely on the exemption from registration under the Securities Act relating to securities issued by political subdivisions. In the event that the 2014 Bonds are not exempt from registration under the Securities Act by virtue of the securities exemption applicable to securities issued by political subdivisions, then the Owners of the 2014 Bonds would need to ensure that subsequent transfers of the 2014 Bonds are made pursuant to a transaction that is not subject to the registration requirements of the Securities Act so that the 2014 Bonds do not become subject to the registration requirements of the Securities Act.

14. It is impossible to predict what new proposals may be presented regarding ad valorem tax reform 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. It is impossible to predict with certainty the impact that any existing or future legislation will or may have on the security for the 2014 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."

15. 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 2001 Assessments. In addition, the District would require the consent of the FDIC prior to commencing a foreclosure action.

This section does not purport to summarize all risks that may be associated with purchasing or owning the 2014 Bonds and prospective purchasers are advised to read this Limited Offering Memorandum in its entirety (inclusive of Appendices) for a more complete description of investment considerations relating to the 2014 Bonds.

[Remainder of page intentionally left blank.]

ESTIMATED SOURCES AND USES OF FUNDS

Source of Funds

Par Amount of 2014 Bonds	\$ _____
[Less: Net Original Issue Discount]	_____
Other Sources ⁽¹⁾	_____
 Total Sources	 \$ _____

Use of Funds

Deposit to Escrow Fund	\$ _____
Deposit to 2014 Reserve Account	_____
Costs of Issuance, including Underwriter's Discount ⁽²⁾	_____
 Total Uses	 \$ _____

-
- (1) Includes proceeds from the Refunded Bonds' [debt service reserve, debt service and construction funds].
- (2) Costs of issuance includes, without limitation, legal fees and other costs associated with the issuance of the 2014 Bonds.

[Remainder of page intentionally left blank.]

DEBT SERVICE REQUIREMENTS

The following table sets forth the scheduled debt service on the District's 2014 Bonds:

<u>Period</u> <u>(May 1)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt</u> <u>Service</u>
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*

TOTALS

* Final maturity of the 2014 Bonds.

THE DISTRICT

General Information

The District is located entirely within unincorporated Osceola County (the "County") and encompasses approximately ___ gross acres of land in the center of the approximately 11,030 acre Harmony DRI, a mixed use-master planned Development of Regional Impact. See "THE DEVELOPMENT" for more information regarding the development within and nearby the District.

The District was created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act") and was established by Ordinance No. 00-05 of the Board of County Commissioners of Osceola County, Florida effective March 6, 2000 (the "Ordinance").

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 (Sections 190.006 through 190.041, Florida Statutes).

Among other provisions, the Act gives the District's Board of Supervisors the authority to (a) plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate and maintain systems and facilities for: (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 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 roads are located and street lights; and (iv) with the consent of the local general-purpose government within the jurisdiction of which the power is to be exercised, (a) 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 2014 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, one to a four-year term and one to a two-year term. The other Supervisor will be elected by landowners for a four-year term. Thereafter, as terms expire, all Supervisors must be qualified electors and are elected to serve staggered terms. If there is a vacancy on the Board, whether as a result of the resignation or removal of a Supervisor or because no elector qualifies for a seat to be filled in an election, the remaining Board members are to fill such vacancy for the unexpired term.

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

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

The current members of the Board, all of whom have been elected by qualified electors residing within the District, and the expiration of the term of each member are set forth below:

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Steve Berube	Chairperson	November, 2014
Ray Walls	Vice-Chairperson	November, 2014
David Farnsworth	Assistant Secretary	November, 2016
Mark LeMenager	Assistant Secretary	November, 2016
Kerul Kassel	Assistant Secretary	November, 2016

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 Moyer Management Group, Inc., to serve as the District Manager. The District Manager's office is located at 610 Sycamore Street, Suite 1409, Celebration, Florida 34747. Telephone number 407-466-8117.

The Act further authorizes the Board to hire such employees and agents as it deems necessary. The District has employed the services of Akerman LLP, Orlando, Florida, as Bond Counsel; Boyd Civil Engineering, Inc., Orlando, Florida, as Consulting Engineer; Digital Assurance Certification L.L.C., as Dissemination Agent, and Young van Assenderp, P.A., Tallahassee, Florida, as District Counsel.

Outstanding Bond Debt

The District has the following bonds outstanding: (i) its Refunded Bonds in the original principal amount of \$17,700,000 of which \$_____ is currently outstanding, and which Refunded Bonds are being refunded with a portion of the proceeds of the 2014 Bonds; and (ii) its Capital Improvement Revenue Bonds, Series 2004 (the "2004 Bonds") in the original principal amount of \$15,590,000 of which \$_____ is currently outstanding. The Refunded Bonds were issued to finance the 2001 Project and the 2004 Bonds were issued to refinance certain infrastructure improvements to the District outside of the area of the District subject to the 2001 Assessments[, with the sole exception of Parcel __, which is _____]. The Refunded Bonds are secured by the 2001 Assessments levied on that portion of the District Lands benefitted by the 2001 Project. See "THE DEVELOPMENT – Debt Service Collection History" for information regarding the history of the District's 2001 Assessments' collections. See "PLAN OF REFUNDING" herein for more information regarding the refunding of the Refunded Bonds and Appendix F for more information regarding the District's finances. The District and other public entities may impose taxes or other special assessments on the same properties encumbered by the 2001 Assessments without the consent of the Owners of the 2014 Bonds and the District currently imposes and expects to continue to impose certain non-ad valorem special assessments called maintenance assessments, which are of equal dignity with the 2001 Assessments, on the same lands upon which the 2001 Assessments are imposed, to fund the maintenance and operation of the District. See "BONDOWNERS' RISKS" herein.

[Remainder of page intentionally left blank.]

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 2001 Assessments are no greater than the obligation of any other subsequent landowner within the District subject to the 2001 Assessments. The Developer is not a guarantor of payment as to any land within the District and the recourse for the Developer's failure to pay is limited to its ownership interests in the land subject to such unpaid 2001 Assessments.

THE DEVELOPMENT

General Overview

Harmony DRI (the "Development") is an approximately 11,030 acre District of Regional Impact project designed as a mixed-use community and located along U.S. 192 in eastern Osceola County (the "County"). The Developer purchased 10,084 acres of the Development in August 1998 for \$2,500 per acre and the balance of the property in two separate transactions. See "THE DEVELOPER" herein for more information on the Developer.

The Development is located in an unincorporated portion of the County. It is approximately 20 miles southeast of Orlando International Airport and 5 miles east of the City of St. Cloud. It is 12.5 miles from a Florida Turnpike interchange and 22 miles from an Interstate highway 95 interchange. With respect to drive times, it is about 45 minutes from the Orlando area attractions (Disney World, EPCOT, Universal Studios), and about 45 minutes from the Atlantic Ocean beaches (City of Melbourne). U.S. Highway 192-441, which runs through and along the southern boundary of the Development, is currently a two-lane highway in the vicinity of the Development.

In the area of the District subject to the 2001 Assessments which are pledged as security for the 2014 Bonds, [insert update on development and sale of units in 2001 assessment area].

Development Amenities

[To come.]

Zoning, Permitting and Environmental

[To come.]

2014 Bonds Assessment Area

The 2001 Assessments securing the 2014 Bonds are levied on the same lands that secured the Refunded Bonds, excluding ___ units that have prepaid the 2001 Assessments. ___ units within the 2014 Bonds assessment area are on the tax roll. The charts that follow detail the product type breakdown of the ___ assessable units in the 2014 Bonds assessment area, of which ___ have been sold to residential end users.

[To come.]

Based upon information obtained from the Property Appraiser, the total value of property for the assessable land in the 2014 Bonds assessment area is approximately \$ _____. Based upon the proposed 2014 Bonds refunding par amount of \$ _____, the aggregate value to lien ratio is approximately ___x; however, this ratio varies depending on the product type and lot as more fully described on the charts set forth on the following page.

Assessed Value and Lien Ratio for the 2014 Bonds

[To come.]

Debt Service Collection History

Historical debt service collection information for the 2001 Bonds assessment area for fiscal years 2009 through fiscal year 2013 is provided below. [To come.]

Taxes, Assessments and Fees

Each homeowner pays annual taxes, assessments and fees on an ongoing basis as a result of its ownership of property within the District, including local ad valorem property taxes, the 2001 Assessments to be levied by the District in connection with the 2001 Project, the maintenance and operating assessments levied by the District, and homeowners' associations' assessments. The expected assessments for the residential units for debt service and District operations are described in the following chart: [To come.]

The Developer

Birchwood Acres Limited Partnership, LLLP, a Florida limited liability partnership (the "Developer") is the owner of ___ acres of land in the area of the District subject to the 2001 Assessments. [The Developer intends to develop this land into ___ multi-family units, ___ single family units, and _____ commercial.] [Insert structure of Developer and relationship to Starwood.]

[Starwood Land Ventures, L.L.C. ("SLV"). SLV is owned by SLV Holdings II, L.L.C. and SLV Management, L.L.C. SLV is a Bradenton, Florida based residential real estate investment firm focused on land acquisition, development and financing nationwide. SLV is primarily funded by Greenwich, Connecticut based Starwood Capital Group thru SOF VIII US SLV Holdings, L.L.C. SLV partners with builders, developers, lenders and land holders and provides creative solutions to recapitalize assets with both debt and equity. SLV also purchases debt and specializes in the acquisition, entitlement and development of large, master-planned communities, which may include mixed-use components. Additionally, SLV acquires, develops and maintains residential properties for retail sales to home builders and contractors for vertical improvements. SLV currently has contracts and relationships with many of the public home builders and numerous private builders.

The senior professionals of SLV have participated in the development of award winning residential communities across the nation having created projects ranging from master planned golf course resort communities to single and multi-family housing construction. SLV principals and affiliates have participated in the development of over 75,000 residential properties with sell out value in excess of \$15 billion. SLV combines its team's deep industry knowledge with the financial strength and investment experience of its partner, Starwood Capital Group, one of the world's premier real estate investment firms.

Starwood Capital Group ("Starwood") is a privately held global investment firm owned by its more than 40 partners. Founded in 1991 during the RTC real estate crisis, Starwood has completed over 400 transactions representing assets of approximately \$25 billion as of December 31, 2009. Starwood has created three public companies which have gone on to acquire an additional \$20 billion in assets. Assets under management are approximately \$16 billion. Starwood has over 150 professionals located across nine offices in six countries including its global headquarters in Greenwich, Connecticut, San Francisco, California, Washington, D.C., Atlanta, Georgia, London, Paris, Luxembourg, Mumbai and Tokyo.

Over the past 19 years, Starwood has raised over \$10 billion of equity and sponsored eleven co-mingled opportunistic funds including two dedicated debt funds, two dedicated hotel funds and several standalone and co-investment partnerships on behalf of the world's leading institutional and high net worth investors. Starwood has invested in almost every asset class — including multifamily, office, retail, hotel, industrial, residential and commercial land, senior housing, mixed-use and golf, and in all levels of the capital structure — including equity, preferred equity, mezzanine debt and senior debt, depending on the risk-reward profile.]

ASSESSMENT METHODOLOGY

As required by applicable law, prior to the issuance of the Refunded Bonds, when the Board of Supervisors of the District (the governing body of the District) determined to defray the cost of the 2001 Project through the 2001 Assessments, it adopted a resolution generally describing the 2001 Project and the land to be subject to the 2001 Assessments to pay the cost thereof. The District caused an assessment roll to be prepared, which showed the land to be assessed, the amount of the benefit to and the assessment against each lot or parcel of land and the number of annual installments in which the assessment was to be divided. Statutory notice was given to the owners of the property to be assessed and the Board of Supervisors conducted a public hearing to hear testimony from affected property owners as to the propriety and advisability of undertaking the 2001 Project and funding the same with the 2001 Assessments.

The allocation of benefits and assessments to the benefited land within the District is presented in the [Financial Advisor's Report] for the Series 2001 Bonds dated October 24, 2000, as supplemented (the "Original Methodology Report"), and in the [Preliminary Special Assessment Methodology Report Refunding of Series 2001 Bonds for 2014 Bonds] dated _____, 2014 (the "Preliminary Allocation Report" and, together with the Original Methodology Report, collectively, the "Assessment Methodology Report"). A copy of the Assessment Methodology Report is attached hereto as Appendix D. The Original Methodology Report is included as a publicly available document and the consent of the methodology consultant that prepared the Original Methodology Report was not requested. The Preliminary Allocation Report has been attached hereto with the consent of the Methodology Consultant. The Assessment Methodology Report sets forth an overall method for allocating the 2001 Assessments to be levied against the lands within the District benefited by the 2001 Project, and collected by the District as a result thereof. APPENDIX D should be read in its entirety for complete information with respect to the subjects discussed therein.

The 2001 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.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Bond Counsel, the form of which is included as Appendix C hereto, the interest on the 2014 Bonds is excludable from gross income and is not a specific item of tax preference for federal income tax purposes under existing statutes, regulations, published rulings and court decisions. However, interest on the 2014 Bonds is taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on corporations pursuant to the Internal Revenue Code of 1986, as amended (the "Code"). Failure by the District to comply subsequent to the issuance of the 2014 Bonds with certain requirements of the Code, regarding the use, expenditure and investment of bond proceeds and the timely payment of certain investment earnings to the Treasury of the United States, may cause interest on the 2014 Bonds to become includable in gross income for federal income tax purposes retroactive to their date of issue. The District has covenanted in the Indenture to comply with all provisions of the Code necessary to, among other things, maintain the exclusion from gross income of interest on the 2014 Bonds for purposes of federal income taxation. In rendering this opinion, Bond Counsel has assumed continuing compliance with such covenant.

Internal Revenue Code of 1986

The Code contains a number of provisions that apply to the 2014 Bonds, including, among other things, restrictions relating to the use of investment of the proceeds of the 2014 Bonds and the payment of certain arbitrage earnings in excess of the "yield" on the 2014 Bonds to the Treasury of the United States. Noncompliance with such provisions may result in interest on the 2014 Bonds being included in gross income for federal income tax purposes retroactive to their date of issue.

Collateral Tax Consequences

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of, the 2014 Bonds. Prospective purchasers of the 2014 Bonds should be aware that the ownership of the 2014 Bonds may result in other collateral federal tax consequences. For example, ownership of the 2014 Bonds may result in collateral tax consequences to various types of corporations relating to (1) denial of interest deduction to purchase or carry such 2014 Bond, (2) the branch profits tax, and (3) the inclusion of interest on the 2014 Bonds in passive income for certain Subchapter S corporations. In addition, the interest on the 2014 Bonds may be included in gross income by recipients of certain Social Security and Railroad Retirement benefits.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE 2014 BONDS, AS THE CASE MAY BE, AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL OR CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE BONDHOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Other Tax Matters

Bond Counsel is further of the opinion that the 2014 Bonds and interest thereon are not subject to taxation under the laws of the State of Florida except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined in Chapter 220, Florida Statutes. Interest on the 2014 Bonds may be subject to state or local income

taxation under applicable state or local laws in other jurisdictions. Purchasers of the 2014 Bonds should consult their tax advisors as to the income tax status of interest on the 2014 Bonds in their particular state or local jurisdictions.

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the 2014 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 2014 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 2014 Bonds and their market value. No assurance can be given that additional legislative proposals will not be introduced or enacted that would or might apply to, or have an adverse effect upon, the 2014 Bonds.

[Tax Treatment of Original Issue Discount]

[Bond Counsel is further of the opinion that the difference between the principal amount of the 2014 Bonds maturing on _____, 20__ (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 such Discount Bonds was sold constitutes original issue discount which is excluded from gross income for Federal income tax purposes to the same extent as interest on the 2014 Bonds. Such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount Bond and the basis of each Discount Bond acquired at such initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Discount Bonds, even though there will not be a corresponding cash payment. Owners of the Discount Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Discount Bonds.]

AGREEMENT BY THE STATE

Under the Act, the State of Florida pledges to the holders of any bonds issued thereunder, including the 2014 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 bonds issued by community development districts 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

Investment in the 2014 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. Additional information will be made available to each prospective investor, including the benefit of a site visit to the District, as such prospective investor deems necessary in order to make an informed decision with respect to the purchase of the 2014 Bonds. Prospective investors are encouraged to request such additional information, visit the District and ask such questions. Such requests should be directed to the Underwriter at: FMSbonds, Inc., 20660 W. Dixie Highway, North Miami Beach, Florida 33180.

ENFORCEABILITY OF REMEDIES

The remedies available to the Owners of the 2014 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 2014 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the 2014 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 2014 Bonds, or in any way contesting or affecting (i) the validity of the 2014 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 2014 Bonds, or (iii) the existence or powers of the District.

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 of the land subject to the 2001 Assessments as described herein, materially and adversely affect the ability of the Developer to pay the 2001 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, the Consulting Engineer, District Counsel, the Methodology Consultant, the Dissemination Agent, the Underwriter (who have retained Underwriter's Counsel) and the Trustee (who has retained Trustee's Counsel), with respect to the authorization, sale, execution and delivery of the 2014 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 2014 Bonds.

NO RATING

No application for a rating for the 2014 Bonds has been made to any rating agency, nor is there any reason to believe that an investment grade rating for the 2014 Bonds would have been obtained if application had been made.

EXPERTS

The Engineer's Report included in APPENDIX A to this Limited Offering Memorandum has been prepared by Boyd Civil Engineering, Inc., Tallahassee, Florida, the Consulting Engineer. APPENDIX C should be read in its entirety for complete information with respect to the subjects discussed therein. Moyer Management Group, Inc., Celebration, Florida, as Methodology Consultant, has prepared the Assessment Methodology Report 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 2014 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 certain information repositories as described in Appendix E commencing with the audit for the District fiscal year ended September 30, 2014. The District will post the audited financials on the Municipal Securities Rulemaking Board ("MSRB") Electronic Municipal Market Access system ("EMMA") website. Attached hereto as Appendix F is a copy of the District's most recent audited financial statements for the District's fiscal year ended September 30, 2013. Such financial statements, including the auditors' reports, as applicable, have been included, and are being incorporated, as applicable, in this Limited Offering Memorandum as public documents and consent from the auditors was not requested. The 2014 Bonds are not general obligation bonds of the District or any other entity and are payable solely from the 2014 Trust Estate.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The accuracy of the mathematical computations of the adequacy of the moneys held by the Escrow Agent under the Escrow Agreement to pay principal of, redemption premium, and interest on the Refunded Bonds on the reception date will be verified by Causey Demgen & Moore P.C., independent certified public accountants.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Section 517.051, Florida Statutes, and the regulations promulgated thereunder (collectively, the "Florida Disclosure Act") require that the District make a full and fair disclosure of any bonds or other debt obligations that it has issued or guaranteed and that are or have been in default as to principal or interest at any time after December 31, 1975 (including bonds or other debt obligations for which it has served only as a conduit issuer such as industrial development or private activity bonds issued on behalf of private business). [The District is not and has never been in default as to principal and interest on its bonds or other debt obligations.]

CONTINUING DISCLOSURE

The District and the Developer will enter into a Continuing Disclosure Agreement (the "Disclosure Agreement") the proposed form of which is attached hereto as Appendix E, for the benefit of

the 2014 Bondholders (including owners of beneficial interests in the 2014 Bonds), to provide certain financial information and operating data relating to the District by certain dates prescribed in the Disclosure Agreement (the "Reports") with the MSRB's EMMA website. The specific nature of the information to be contained in the Reports is set forth in "Appendix E - Form of Continuing Disclosure Agreement." Under certain circumstances, the failure of the District or the Developer to comply with their obligations under the Disclosure Agreement constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Disclosure Agreement would allow the Bondholders (including owners of beneficial interests in the 2014 Bonds) to bring an action for specific performance.

The District has previously entered into continuing disclosure undertakings with respect to the bonds it has previously issued. [Compliance with previous undertakings is currently under review.] The District will appoint a dissemination agent in connection with its 2014 Bonds and fully anticipates satisfying all future disclosure obligations required pursuant to its Continuing Disclosure Agreement and the Rule.

UNDERWRITING

FMSbonds, Inc. (the "Underwriter") has agreed, pursuant to a contract with the District, subject to certain conditions, to purchase the 2014 Bonds from the District at a purchase price of \$ _____ (representing the \$ _____ aggregate principal amount of the 2014 Bonds, less [net original issue discount of \$ _____ and] less 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 2014 Bonds if any are purchased. The 2014 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 Refunded Bonds being refunded by the 2014 Bonds were one of a series of bonds validated by a Final Judgment of the Circuit Court of the Ninth Judicial Circuit in and for the County, rendered on August 4, 2000, and the period during which an appeal could be taken from that judgment expired with no appeal having been filed.

LEGAL MATTERS

Certain legal matters related to the authorization, sale and delivery of the 2014 Bonds are subject to the approval of Akerman LLP, Orlando, Florida, Bond Counsel. Certain legal matters will be passed upon for the District by its counsel, Young van Assenderp, P.A., Tallahassee, Florida, for the Developer by its counsel, GrayRobinson, P.A, Orlando, Florida, and for the Underwriter by it counsel, GrayRobinson, P.A., Tampa, Florida. Holland & Knight LLP, Miami, Florida is serving as counsel to the Trustee.

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 2014 Bonds and other documents referred to herein are brief summaries of certain provisions thereof. Such summaries do not purport to be complete and reference is made to such documents for full and complete statements of such provisions.

This Limited Offering Memorandum is submitted in connection with the limited offering of the 2014 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 2014 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.

**HARMONY COMMUNITY
DEVELOPMENT DISTRICT**

By: _____
Chairperson, Board of Supervisors

APPENDIX A
ENGINEER'S REPORT

APPENDIX B

**COPY OF MASTER TRUST INDENTURE AND
FORM OF FIFTH SUPPLEMENTAL TRUST INDENTURE**

APPENDIX C

**FORM OF APPROVING OPINION
OF BOND COUNSEL**

APPENDIX D

ASSESSMENT METHODOLOGY REPORT

APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

APPENDIX F
DISTRICT'S FINANCIAL STATEMENTS