

**NAPLES RESERVE
COMMUNITY DEVELOPMENT
DISTRICT**

**REGULAR MEETING
AGENDA**

May 3, 2018

Naples Reserve Community Development District

OFFICE OF THE DISTRICT MANAGER

2300 Glades Road, Suite 410W • Boca Raton, Florida 33431

Phone: (561) 571-0010 • Toll-free: (877) 276-0889 • Fax: (561) 571-0013

April 26, 2018

ATTENDEES:

Please identify yourself each time you speak to facilitate accurate transcription of meeting minutes.

Board of Supervisors
Naples Reserve Community Development District

Dear Board Members:

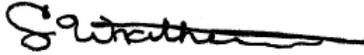
A Regular Meeting of the Naples Reserve Community Development District's Board of Supervisors will be held on May 3, 2018 at 11:00 a.m., at the offices of Coleman, Yovanovich & Koester, P.A., Northern Trust Bank Building, 4001 Tamiami Trail N., Suite 300, Naples, Florida 34103. The agenda is as follows:

1. Call to Order/Roll Call
2. Public Comments
3. Consideration of Appointment to Seat 2; *Term Expires November 2018*
 - Administration of Oath of Office to Newly Appointed Supervisor
 - Consideration of Resolution 2018-01, Electing Officers of the District
4. Consideration of Second Supplemental Special Assessment Methodology Report
5. Consideration of First Supplemental District Engineer's Report - 2018 Construction Bond
6. Consideration of Resolution 2018-02, a Resolution of the Board of Supervisors of Naples Reserve Community Development District Authorizing the Issuance of Not To Exceed \$10,000,000 Aggregate Principal Amount of Its Naples Reserve Community Development District (Collier County, Florida) Special Assessment Bonds, Series 2018 (the "Series 2018 Bonds"); Approving the Form of and Authorizing the Execution and Delivery of a Second Supplemental Trust Indenture Relating To the Series 2018 Bonds; Determining the Need For a Negotiated Limited Offering of the Series 2018 Bonds and Providing For a Delegated Award of Such Series 2018 Bonds; Appointing the Underwriter For the Limited Offering of the Series 2018 Bonds; Approving the Form of and Authorizing the Execution and Delivery of a Bond Purchase Agreement With Respect To the Series 2018 Bonds; Approving the Form of and Authorizing the Distribution of a Preliminary Limited Offering Memorandum; Approving the Execution and Delivery of a Final Limited Offering Memorandum; Approving the Form of and Authorizing the Execution of a Continuing Disclosure Agreement; Approving the

- Application of Bond Proceeds; Making Certain Declarations; Providing For the Registration of the Series 2018 Bonds Pursuant To the DTC Book-Entry Only System; Authorizing the Proper Officials To Do All Things Deemed Necessary In Connection With the Issuance, Sale and Delivery of the Series 2018 Bonds; Providing For Certain Other Matters; and Providing an Effective Date
7. Ratification of CDD Systems and Facilities Operation and Maintenance Agreement with Naples Reserve Homeowners Association, Inc.
 8. Presentation of Audited Financial Report for Fiscal Year Ended September 30, 2017, Prepared by Carr, Riggs & Ingram, LLC
 9. Consideration of Resolution 2018-03, Accepting the Audited Financial Report for the Fiscal Year Ended September 30, 2017
 10. Consideration of Resolution 2018-04, Approving the District's Proposed Budget for Fiscal Year 2018/2019 and Setting a Public Hearing Thereon Pursuant to Florida Law
 11. Consideration of Resolution 2018-05, Designating a Date, Time and Location for Landowners' Meeting [Seats 2, 3 & 5]
 12. Consideration of Addendum #1 to Wrathell, Hunt and Associates, LLC Agreement for Management Services
 13. Approval of Unaudited Financial Statements as of March 31, 2018
 14. Approval of August 29, 2017 Public Hearing and Regular Meeting Minutes
 15. Other Business
 16. Staff Reports
 - A. District Counsel: *Coleman, Yovanovich & Koester, P.A.*
 - B. District Engineer: *Hole Montes, Inc.*
 - C. District Manager: *Wrathell, Hunt and Associates, LLC*
 - i. 148 Registered Voters in District as of April 15, 2018
 - ii. NEXT MEETING DATE: August 21, 2018 at 11:00 A.M.
 17. Audience Comments/Supervisors' Requests
 18. Adjournment

Should you have any questions, please contact me directly at (561) 719-8675.

Sincerely,



Craig A. Wrathell
District Manager

FOR BOARD MEMBERS AND STAFF TO ATTEND BY TELEPHONE:

**Call-in number: 1-888-354-0094
Conference ID: 8518503**

**NAPLES RESERVE
COMMUNITY DEVELOPMENT DISTRICT**

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RESOLUTION 2018-01

**A RESOLUTION ELECTING THE OFFICERS OF THE
NAPLES RESERVE COMMUNITY DEVELOPMENT
DISTRICT**

WHEREAS, the Board of Supervisors of the Naples Reserve Community Development District desires to elect the below recited persons to the offices specified.

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

1. The following persons are elected to the offices shown:

Chair	_____
Vice Chair	_____
Secretary	_____ <u>Craig Wrathell</u> _____
Treasurer	_____ <u>Craig Wrathell</u> _____
Assistant Treasurer	_____ <u>Jeff Pinder</u> _____
Assistant Secretary	_____
Assistant Secretary	_____
Assistant Secretary	_____
Assistant Secretary	_____ <u>Cindy Cerbone</u> _____

PASSED AND ADOPTED this ____ day of _____, 2018.

Secretary/Assistant Secretary

Chair/Vice Chair

**NAPLES RESERVE
COMMUNITY DEVELOPMENT DISTRICT**

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NAPLES RESERVE COMMUNITY DEVELOPMENT DISTRICT

Second Supplemental Special Assessment Methodology Report

April 26, 2018



Provided by:

Wrathell, Hunt and Associates, LLC

2300 Glades Road, Suite 410W

Boca Raton, FL 33431

Phone: 561-571-0010

Fax: 561-571-0013

Website: www.whhassociates.com



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1.0 Introduction

1.1 Purpose

This Second Supplemental Special Assessment Methodology Report (the "Second Supplemental Report") was developed to supplement the Master Special Assessment Methodology Report dated November 8, 2013 (the "Master Report") and the Supplemental Special Assessment Methodology Report (the "Supplemental Report") dated August 19, 2014. This Second Supplemental Report was developed specifically to provide a supplemental financing plan and a supplemental special assessment methodology for funding a portion of the costs of public infrastructure improvements (the "2018 Project") that will serve the second phase of development (the "Second Assessment Area") within the Naples Reserve Community Development District (the "District").

1.2 Scope of the Second Supplemental Report

This Second Supplemental Report presents the projections for financing the 2018 Project described in the First Supplemental District Engineer's Report for Naples Reserve Community Development District 2018 Construction Bond prepared by Hole Montes, Inc. (the "District Engineer") dated April 20, 2018 (the "2018 Engineer's Report").

This Second Supplemental Report also describes the supplemental method for the allocation of special benefits and the apportionment of special assessment debt resulting from the provision and funding a portion of the 2018 Project.

1.3 Special Benefits and General Benefits

Improvements undertaken and funded by the District as part of the 2018 Project create special and peculiar benefits, different in kind and degree than general benefits, for properties within the Second Assessment Area, as well as general benefits to the properties within the District but outside of the Second Assessment Area and the public at large. However, as discussed within this Report, these



general benefits are incidental in nature and are readily distinguishable from the special and peculiar benefits which accrue to property within the Second Assessment Area. The 2018 Project enables properties within the boundaries of the Second Assessment Area to be developed.

There is no doubt that the properties within the District but outside of the Second Assessment Area and general public will benefit from the provision of the 2018 Project. However, these benefits are only incidental since the 2018 Project is designed solely to provide special benefits peculiar to property within the Second Assessment Area. Properties outside the Second Assessment Area are not directly served by the 2018 Project and do not depend upon the 2018 Project to obtain or to maintain their development entitlements. This fact alone clearly distinguishes the special benefits which Second Assessment Area properties receive compared to those lying outside of the Second Assessment Area or outside of the District's boundaries.

The 2018 Project will provide infrastructure and improvements which are all necessary in order to make the lands within the Second Assessment Area developable and saleable. The installation of such improvements will cause the value of the developable and saleable lands within the Second Assessment Area to increase by more than the sum of the financed cost of the individual components of the 2018 Project. Even though the exact value of the benefits provided by the 2018 Project is difficult to estimate at this point, it is nevertheless greater than the costs associated with providing same.

1.4 Organization of the Second Supplemental Report

Section Two describes the development program as proposed by the Developer.

Section Three provides a summary of the 2018 Project as determined by the District Engineer.

Section Four discusses the financing program for the District.

Section Five discusses the special assessment methodology for the Second Assessment Area that was introduced in the Master Report



and its application to the current development and financing programs for the District.

2.0 Development Program

2.1 Overview

The District serves the Naples Reserve development (the "Development" or "Naples Reserve"), a master planned, residential development co-terminus with the District and consisting of approximately 688 acres located within unincorporated Collier County, Florida. The land within the District is approximately 1.5 miles East of CR-951 and 0.4 miles north of U.S. 41.

2.2 The Development Program

The development of Naples Reserve has been and is anticipated to continue to be conducted by SFI Naples Reserve LLC and Naples AW Holdco LLC (cumulatively the "Developer"). The final original development plan for the lands within the District envisioned a total of 1,154 residential units developed generally in two phases coinciding with two distinct assessment areas. The first phase has already been platted, originally for 498 residential units and subsequently adjusted to 497 residential units. The units within the first phase are subject to assessments for repayment of Special Assessment Bonds, Series 2014 (the "2014 Bonds") and represent the First Assessment Area.

The second phase was originally envisioned to contain 656 residential units, however, the development plan has been revised and at present time envisions that the second phase will contain a total of 591 residential units. Of the 591 units in the second phase, 178 34' x 130' Villa residential units have been platted as of the time of writing of this Second Supplemental Report. The 591 residential units of the second phase will represent the Second Assessment Area, however, although unit numbers and land use types may change throughout the development period in response to market demands. Tables 1 and 2 in the *Appendix* illustrate the final original and revised development plans for the District.



3.0 The 2018 Project

3.1 Overview

The infrastructure costs to be funded in part by the District as part of the 2018 Project are described by the District Engineer in the 2018 Engineer's Report. Only infrastructure that may qualify for bond financing by the District under Chapter 190, Florida Statutes, was included in these estimates. This Second Supplemental Report reflects the current plans for financing by the District of a portion of the 2018 Project that will serve the public infrastructure needs of the 591 residential units within the Second Assessment Area.

3.2 2018 Project

The public infrastructure system needed to serve the planned development of the Second Assessment Area of the Naples Reserve is projected to consist of potable water, wastewater and irrigation systems, earthwork and clearing for storm water management, and a storm water management system. The total costs for the public infrastructure that will be part of the 2018 Project provided by the District are calculated by adding to the construction costs the costs for permitting, inspection, consulting, and contingencies.

The construction of public capital infrastructure improvements included in the 2018 Project has already commenced and will complement the existing public capital infrastructure improvements that were funded in part with proceeds of the 2014 Bonds. Even though the construction of the 2018 Project will proceed several years after the construction of improvements funded in part with proceeds of the 2014 Bonds, all existing and proposed improvements will comprise an interrelated system of improvements, which means all of the improvements will serve the entire District, and improvements will be interrelated such that they reinforce each other. At the time of this writing, the total costs of the 2018 Project are estimated to be \$9,870,000. Table 3 in the *Appendix* illustrates the specific component costs of the 2018 Project. At present time, the District will fund approximately \$7,652,160 in construction costs, with the balance of the 2018



Project funded and/or contributed by the Developer to the District at no cost.

4.0 Financing Program

4.1 Overview

As noted above, the District is continuing its program of capital improvements which will facilitate the development of lands within the District. Generally, construction of public improvements is either funded by the Developer and then acquired by the District or funded directly by the District. The choice of the exact mechanism for the 2018 Project has not yet been made at the time of this writing, and the District may either acquire the public infrastructure of the 2018 Project from the Developer or construct it, or even partly acquire it and partly construct it.

For the second phase of development comprised of 591 residential units, the District will fund only a portion of the cost of the 2018 Project with long-term indebtedness, while the balance will be contributed by the Developer to the District at no cost. Under this current financing plan, the District will fund approximately \$7,652,160 in construction costs with proceeds of Special Assessment Bonds, Series 2018 (the "2018 Bonds") in the principal amount of \$8,495,000.

4.2 Types of Bonds Proposed

The current financing plan for the 2018 Project provides for the issuance of the 2018 Bonds in the principal amount of \$8,495,000 to defray construction/ acquisition expenses of approximately \$7,652,160. The 2018 Bonds as projected under this financing plan would be structured to be amortized in 30 annual installments following a 6-month capitalized interest period. Interest payments on the Bonds would be made every May 1 and November 1, and principal payments on the Bonds would be made every May 1.

In order to finance the approximately \$7,652,160 in improvement costs, the District would need to borrow more funds and incur indebtedness in the total amount of \$8,495,000. The difference is



comprised of debt service reserve, capitalized interest, underwriter's discount and costs of issuance. Preliminary sources and uses of funding are presented in Table 4 in the *Appendix*.

5.0 Assessment Methodology

5.1 Overview

The issuance of the 2018 Bonds will provide the District with a portion of the funds necessary to construct/acquire the infrastructure improvements which are part of the 2018 Project outlined in *Section 3.2* and described in more detail by the District Engineer in the 2018 Engineer's Report. These improvements lead to special and general benefits, with special benefits accruing to the properties within the boundaries of the Second Assessment Area and general benefits accruing both to areas inside the District but outside of the Second Assessment Area and areas outside of the District and being only incidental in nature. The debt incurred in financing the construction/acquisition of a portion of the 2018 Project will be paid off by assessing properties that derive special and peculiar benefits from the 2018 Project. All properties that receive special benefits from the 2018 Project will be assessed for their fair share of the debt issued in order to finance the construction/acquisition of a portion of the 2018 Project.

5.2 Benefit Allocation

The final original development plan envisioned the development of 1,154 residential units, however, as already mentioned in *Section 2.2* of this Second Supplemental Report, the development plan for Naples Reserve has changed since the time of the Supplemental Report in that two additional unit categories, the aforementioned 35' x 130' Villa residential lot and the 76' x 130', were introduced and the numbers of units within the categories changed, resulting in the revised total number of residential units of 1,088.

The development of land in the District is expected to continue to proceed in two phases, with the first phase consisting of a total of 497 residential units and the second phase expected to contain a total of 591 residential units. The construction of public capital



infrastructure improvements is also expected to continue to proceed in two phases, with the first phase having concluded and the second phase having already commenced in 2018. Even though the construction of the 2018 Project, which is designed to serve the needs of the 591 residential units within the second phase of development, will proceed several years after the construction of improvements funded in part with proceeds of the 2014 Bonds, all existing and proposed improvements will comprise an interrelated system of improvements, which means all of the improvements will serve the entire District, and improvements will be interrelated such that they reinforce each other and their combined benefit will be greater than the sum of their individual benefits. All of the land uses within the District will benefit from each public capital infrastructure improvement category, as the improvements provide basic infrastructure to all land within the District and benefit all land within the District equally as an integrated system of improvements.

As stated previously, the public capital infrastructure improvements included in the 2018 Project have a logical connection to the special and peculiar benefits received by the land within the Second Assessment Area, as without such improvements, the development of the properties within the Second Assessment Area would not be possible. Based upon the connection between the improvements and the special and peculiar benefits to the land within the Second Assessment Area, the District can assign or allocate a portion of the District's debt through the imposition of non-ad valorem assessments, to the land receiving such special and peculiar benefits. Even though these special and peculiar benefits are real and ascertainable, the precise amount of the benefit cannot yet be calculated with mathematical certainty. However, such benefit is more valuable than the cost of, or the actual non-ad valorem assessment amount levied on that parcel.

In accordance with the Master Report, the benefit associated with the 2018 Project of the District is proposed to be allocated to the different product types within the Second Assessment Area in proportion to the density of development and intensity of use of the infrastructure as measured by a standard unit called an Equivalent Residential Unit ("ERU"). Table 5 in the *Appendix* illustrates the ERU weights that are proposed to be assigned to the land uses in the Second Assessment Area based on the relative density of development. The rationale behind these ERU weights is



supported by the fact that generally and on average smaller units will use and benefit from the District's public infrastructure improvements less than larger units, as generally and on average smaller units produce less storm water runoff, and need less water, sewer, and irrigation capacity than larger units. Additionally, the value of the larger units is likely to appreciate by more in terms of dollars than that of the smaller units as a result of the implementation of the 2018 Project. As the exact amount of the benefit and appreciation is not possible to be calculated at this time, the use of ERU measures serves as a reasonable approximation of the relative amount of benefit received from the District's improvements.

In order to facilitate the marketing of the 591 residential units within the second phase of the Development and the Second Assessment Area, the Developer requested that the District limits the amount of annual assessments for debt service on the 2018 Bonds to certain predetermined levels, and in order to accomplish that, the Developer will be required to complete all public capital infrastructure improvements that are part of the 2018 Project in excess of the total amount available from the proceeds of the 2018 Bonds. Using the ERU benefit allocations developed in Table 5 in the *Appendix* and applying such ERU benefit allocations to the total cost estimate of the 2018 Project of \$9,870,000, Table 6 in the *Appendix* illustrates the allocation of benefit from the 2018 Project to the various unit types in the District. The District will fund only a portion of that amount in the total amount of \$7,652,160.14 from proceeds of the 2018 Bonds, while the balance of the cost of the 2018 Project in the total amount estimated at \$2,217,839.86 will be funded by the Developer and improvements funded in such way will be contributed to the District at no cost to the District under a completion agreement that will be entered into by the Developer and District. Table 6 in the *Appendix* presents the allocation of costs of the Neighborhood Infrastructure Improvements as described in this paragraph.

Table 7 in the *Appendix* presents the apportionment of the special assessments associated with repayment of the 2018 Bonds (the "2018 Bond Assessment") in accordance with the costs allocations presented in Table 6. Table 7 also presents the annual levels of the projected 2018 Bond Assessment annual debt service assessments per unit.



5.3 Assigning Debt

As of the time of writing of this Second Supplemental Report, 178 of the 591 residential lots (all being 34' x 130' Villa lots) within the Second Assessment Area have already been platted and assigned parcel numbers by the Collier County Property Appraiser's Office. Consequently, the 2018 Bond Assessment will be apportioned to each platted parcel within the Second Assessment Area on a first platted-first assigned basis based on the planned use for that platted parcel as reflected in Table 7 in the *Appendix*. This method of apportionment of the 2018 Bond Assessment will apportion a total of \$1,770,559.63 in 2018 Bond Assessment to 178 platted residential 34' x 130' Villa lots, leaving a total of \$6,724,440.37 to be apportioned to unplatted land in the Second Assessment Area on an equal pro-rata gross acre basis. According to the Collier County Property Appraiser's Office, there are approximately 244.74 +/- gross acres within the Second Assessment Area and thus the total Bond Assessment in the amount of \$6,724,440.37 will be preliminarily levied on approximately 244.74 +/- gross acres within the Second Assessment Area at a rate of \$27,475.99 per gross acre.

When the land that is currently unplatted within the Second Assessment Area is platted, the 2018 Bond Assessment will be apportioned to each platted parcel on a first platted-first assigned basis based on the planned use for that platted parcel as reflected in Table 7 in the *Appendix*. Such apportionment of 2018 Bond Assessments to platted parcels will further reduce the amount of 2018 Bond Assessment levied on unplatted gross acres within the Second Assessment Area.

Further, to the extent that any land which has not been platted is sold to another developer or builder, the 2018 Bond Assessment will be apportioned to such parcel at the time of the sale based upon the development rights associated with such parcel that are transferred from seller to buyer. The District shall provide an estoppel or similar document to the buyer evidencing the amount of 2018 Bond Assessment transferred at sale.



5.4 Lienability Test: Special and Peculiar Benefit to the Property

As first discussed in *Section 1.3*, Special Benefits and General Benefits, improvements undertaken by the District as part of the 2018 Project create special and peculiar benefits to certain properties within the Second Assessment Area. The District's improvements benefit properties within the Second Assessment Area and accrue to all assessable properties on an ERU basis.

Improvements undertaken by the District can be shown to be creating special and peculiar benefits to the property within the Second Assessment Area. The special and peculiar benefits resulting from each improvement are:

- a. added use of the property;
- b. added enjoyment of the property;
- c. decreased insurance premiums;
- d. increased marketability and value of the property.

The improvements which are part of the 2018 Project make the land in the Second Assessment Area developable and saleable and when implemented jointly as parts of the 2018 Project, provide special and peculiar benefits which are greater than the benefits of any single category of improvements. These special and peculiar benefits are real and ascertainable, but not yet capable of being calculated and assessed in terms of numerical value; however, such benefits are more valuable than either the cost of, or the actual assessment levied for, the improvement or debt allocated to the parcel of land.

5.5 Lienability Test: Reasonable and Fair Apportionment of the Duty to Pay

A reasonable estimate of the proportion of special and peculiar benefits received from the improvements is delineated in Table 5 (expressed as ERU factors) in the *Appendix*.

The apportionment of the 2018 Bond Assessment is fair and reasonable because after accounting for the effects of the Developer's contribution of capital improvements that did not have to be financed with proceeds of the 2018 Bonds, it was conducted on the basis of consistent application of the methodology described



in Section 5.2 across all assessable property within the Second Assessment Area according to reasonable estimates of the special and peculiar benefits derived from the 2018 Project by different land uses.

Accordingly, no acre or parcel of property within the Second Assessment Area will be liened for the payment of any 2018 Bond Assessment more than the determined special benefit peculiar to that property.

5.6 True-Up Mechanism

The Assessment Methodology described herein is based on conceptual information obtained from the Developer prior to full final platting and construction. As development occurs, it is possible that the number of units within each product category and the categories of residential units themselves might change. The mechanism for maintaining the methodology over the changes is referred to as true-up.

This mechanism is to be utilized to assure that the 2018 Bond Assessment for each product category never exceeds the initially allocated assessment as contemplated in the adopted assessment methodology. If such changes occur, the methodology described herein is applied to the land based on number of and type residential units of a particular type in the parcel.

If as a result of platting and apportionment of the 2018 Bond Assessment to the platted land, the total number of units within each product category is equal to the number in Tables 2 and 5 in the *Appendix*, then no true-up adjustment will be necessary. If as a result of platting and apportionment of the 2018 Bond Assessment to the platted land, the 2018 Bond Assessment per unit for land that remains unplatted within the Second Assessment Area is lower than the levels in Table 7 in the *Appendix*, for instance as a result of more larger units, meaning a higher 2018 Bond Assessment carrying capacity, then per lot 2018 Bond Assessment for all lots will be recalculated based upon the higher total number of larger units capable of carrying a higher 2018 Bond Assessment, and each unit's 2018 Bond Assessment will be reduced proportionally to the increase in the debt carrying capacity if that state persists at the



conclusion of platting of all land within the Second Assessment Area.

If, in contrast, as a result of platting and apportionment of the 2018 Bond Assessment to the platted land, the 2018 Bond Assessment per unit for land that remains unplatted within the Second Assessment Area is higher than the levels in Table 7 in the *Appendix*, for instance as a result of fewer larger lots, meaning a lower 2018 Bond Assessment carrying capacity, then the loss of the debt carrying capacity as expressed in loss of 2018 Bond Assessment will be collected from the Developer, its successor or assigns in accordance with a true-up agreement to be entered into between the District and the Developer, which will be binding on assignees.

5.7 Assessment Roll

The Preliminary Assessment Roll is provided in Exhibit "A".



6.0 Appendix

Table 1

Naples Reserve CDD Community Development District

Final Original Development Plan

Unit Type	First Phase	Second Phase	Total
85' x 130'	79	100	179
78' x 130'	82	86	168
64' x 130'	117 *	100	217
53' x 130'	169	300	469
40' x 130'	51	70	121
Total	498	656	1,154

* One 64' x 130' unit in the First Phase was initially platted, however, was subsequently converted to a second entrance to the Savannah Lakes subdivision - its capital assessment will be prepaid by the landowner

Table 2

Naples Reserve CDD Community Development District

Revised Development Plan

Unit Type	First Phase	Second Phase	Total
85' x 130'	79	0	79
78' x 130'	82	0	82
76' x 130'	0	183	183
64' x 130'	116	101	217
53' x 130'	169	129	298
40' x 130'	51	0	51
34' x 130' Villa	0	178	178
Total	497	591	1,088



Table 3

**Naples Reserve CDD
Community Development District**

2018 Project

Improvement	Cost
Utilities	\$1,476,300
Earthwork & Clearing	\$6,930,000
Stormwater Management	\$1,463,700
Total	\$9,870,000

Table 4

**Naples Reserve CDD
Community Development District**

Preliminary Sources and Uses of Funds

Sources

Bond Proceeds:	
Par Amount	\$8,495,000
Total Sources	\$8,495,000

Uses

Project Fund Deposits:	
Project Fund	\$7,652,160
Other Fund Deposits:	
Debt Service Reserve Fund	\$280,255
Capitalized Interest Fund	\$217,684
Delivery Date Expenses:	
Costs of Issuance	\$344,900
Total Uses	\$8,495,000



Table 5

Naples Reserve CDD
Community Development District

Second Assessment Area Benefit Allocation

Unit Type	Number of Units	ERU per Unit	Total ERU
76' x 130'	183	1.00	183.00
64' x 130'	101	0.90	90.90
53' x 130'	129	0.80	103.20
34' x 130' Villa	178	0.65	115.70
Total	591		492.80

Table 6

Naples Reserve CDD
Community Development District

Second Assessment Area 2018 Project Cost Allocation

Unit Type	2018 Project Cost Allocation Based on ERU	2018 Project Costs Contributed by Developer	2018 Project Costs Financed with 2018 Bonds
76' x 130'	\$3,665,198.86	\$771,624.52	\$2,893,574.35
64' x 130'	\$1,820,582.39	\$356,665.67	\$1,463,916.71
53' x 130'	\$2,066,931.82	\$367,154.54	\$1,699,777.28
34' x 130' Villa	\$2,317,286.93	\$722,395.13	\$1,594,891.80
Total	\$9,870,000.00	\$2,217,839.86	\$7,652,160.14



Table 7

Naples Reserve CDD Community Development District

Second Assessment Area 2018 Bond Assessment Apportionment

Unit Type	Total 2018 Bond Assessment Apportionment	2018 Bond Assessment Apportionment per Unit	Annual 2018 Bond Assessment Debt Service	Annual 2018 Bond Assessment Debt Service per Unit*
76' x 130'	\$3,212,284.33	\$17,553.47	\$211,951	\$1,200
64' x 130'	\$1,625,158.42	\$16,090.68	\$107,230	\$1,100
53' x 130'	\$1,886,997.62	\$14,627.89	\$124,507	\$1,000
34' x 130' Villa	\$1,770,559.63	\$9,946.96	\$116,824	\$680
Total	\$8,495,000.00		\$560,511	

* Includes an allocation of 3.5% for costs of collection and assumes payment in **November** to take advantage of the maximum 4% discount for early payment

**Naples Reserve CDD
2018 Bond
Assessment Roll**

Parcel ID	Annual 2018 Bond Assessment Debt Service	Annual 2018 Bond Assessment Debt Service per Unit
63045010047	\$459,068	\$6,714,033
27746000101	\$712	\$10,408
27746000208	\$680	\$9,947
27746000224	\$680	\$9,947
27746000240	\$680	\$9,947
27746000266	\$680	\$9,947
27746000282	\$680	\$9,947
27746000305	\$680	\$9,947
27746000321	\$680	\$9,947
27746000347	\$680	\$9,947
27746000363	\$680	\$9,947
27746000389	\$680	\$9,947
27746000402	\$680	\$9,947
27746000428	\$680	\$9,947
27746000444	\$680	\$9,947
27746000460	\$680	\$9,947
27746000486	\$680	\$9,947
27746000509	\$680	\$9,947
27746000525	\$680	\$9,947
27746000541	\$680	\$9,947
27746000567	\$680	\$9,947
27746000583	\$680	\$9,947
27746000606	\$680	\$9,947
27746000622	\$680	\$9,947
27746000648	\$680	\$9,947
27746000664	\$680	\$9,947
27746000680	\$680	\$9,947
27746000703	\$680	\$9,947
27746000729	\$680	\$9,947
27746000745	\$680	\$9,947
27746000842	\$680	\$9,947
27746000868	\$680	\$9,947
27746000884	\$680	\$9,947
27746000907	\$680	\$9,947
27746000923	\$680	\$9,947
27746000949	\$680	\$9,947
27746000965	\$680	\$9,947
27746000981	\$680	\$9,947
27746001003	\$680	\$9,947

**Naples Reserve CDD
2018 Bond
Assessment Roll**

Parcel ID	Annual 2018 Bond Assessment Debt Service	Annual 2018 Bond Assessment Debt Service per Unit
27746001029	\$680	\$9,947
27746001045	\$680	\$9,947
27746001061	\$680	\$9,947
27746001087	\$680	\$9,947
27746001100	\$680	\$9,947
27746001126	\$680	\$9,947
27746001142	\$680	\$9,947
27746001168	\$680	\$9,947
27746001184	\$680	\$9,947
27746001207	\$680	\$9,947
27746001223	\$680	\$9,947
27746001249	\$680	\$9,947
27746001265	\$680	\$9,947
27746001281	\$680	\$9,947
27746001304	\$680	\$9,947
27746001320	\$680	\$9,947
27746001346	\$680	\$9,947
27746001362	\$680	\$9,947
27746001388	\$680	\$9,947
27746001401	\$680	\$9,947
27746001427	\$680	\$9,947
27746001443	\$680	\$9,947
27746001469	\$680	\$9,947
27746001485	\$680	\$9,947
27746001508	\$680	\$9,947
27746001524	\$680	\$9,947
27746001540	\$680	\$9,947
27746001566	\$680	\$9,947
27746001582	\$680	\$9,947
27746001605	\$680	\$9,947
27746001621	\$680	\$9,947
27746001647	\$680	\$9,947
27746001663	\$680	\$9,947
27746001689	\$680	\$9,947
27746001702	\$680	\$9,947
27746001728	\$680	\$9,947
27746001744	\$680	\$9,947
27746001760	\$680	\$9,947
27746001786	\$680	\$9,947

**Naples Reserve CDD
2018 Bond
Assessment Roll**

Parcel ID	Annual 2018 Bond Assessment Debt Service	Annual 2018 Bond Assessment Debt Service per Unit
27746001809	\$680	\$9,947
27746001825	\$680	\$9,947
27746001841	\$680	\$9,947
27746001867	\$680	\$9,947
27746001883	\$680	\$9,947
27746001906	\$680	\$9,947
27746001922	\$680	\$9,947
27746001948	\$680	\$9,947
27746001964	\$680	\$9,947
27746001980	\$680	\$9,947
27746002002	\$680	\$9,947
27746002028	\$680	\$9,947
27746002044	\$680	\$9,947
27746002060	\$680	\$9,947
27746002086	\$680	\$9,947
27746002109	\$680	\$9,947
27746002125	\$680	\$9,947
27746002141	\$680	\$9,947
27746002167	\$680	\$9,947
27746002183	\$680	\$9,947
27746002206	\$680	\$9,947
27746002222	\$680	\$9,947
27746002248	\$680	\$9,947
27746002264	\$680	\$9,947
27746002280	\$680	\$9,947
27746002303	\$680	\$9,947
27746002329	\$680	\$9,947
27746002345	\$680	\$9,947
27746002361	\$680	\$9,947
27746002387	\$680	\$9,947
27746002400	\$680	\$9,947
27746002426	\$680	\$9,947
27746002442	\$680	\$9,947
27746002468	\$680	\$9,947
27746002484	\$680	\$9,947
27746002507	\$680	\$9,947
27746002523	\$680	\$9,947
27746002549	\$680	\$9,947
27746002565	\$680	\$9,947

**Naples Reserve CDD
2018 Bond
Assessment Roll**

Parcel ID	Annual 2018 Bond Assessment Debt Service	Annual 2018 Bond Assessment Debt Service per Unit
27746002581	\$680	\$9,947
27746002604	\$680	\$9,947
27746002620	\$680	\$9,947
27746002646	\$680	\$9,947
27746002662	\$680	\$9,947
27746002688	\$680	\$9,947
27746002701	\$680	\$9,947
27746002727	\$680	\$9,947
27746002743	\$680	\$9,947
27746002769	\$680	\$9,947
27746002785	\$680	\$9,947
27746002808	\$680	\$9,947
27746002824	\$680	\$9,947
27746002840	\$680	\$9,947
27746002866	\$680	\$9,947
27746002882	\$680	\$9,947
27746002905	\$680	\$9,947
27746002921	\$680	\$9,947
27746002947	\$680	\$9,947
27746002963	\$680	\$9,947
27746002989	\$680	\$9,947
27746003001	\$680	\$9,947
27746003027	\$680	\$9,947
27746003043	\$680	\$9,947
27746003069	\$680	\$9,947
27746003085	\$680	\$9,947
27746003108	\$680	\$9,947
27746003124	\$680	\$9,947
27746003140	\$680	\$9,947
27746003166	\$680	\$9,947
27746003182	\$680	\$9,947
27746003205	\$680	\$9,947
27746003221	\$680	\$9,947
27746003247	\$680	\$9,947
27746003263	\$680	\$9,947
27746003289	\$680	\$9,947
27746003302	\$680	\$9,947
27746003328	\$680	\$9,947
27746003344	\$680	\$9,947

**Naples Reserve CDD
2018 Bond
Assessment Roll**

Parcel ID	Annual 2018 Bond Assessment Debt Service	Annual 2018 Bond Assessment Debt Service per Unit
27746003360	\$680	\$9,947
27746003386	\$680	\$9,947
27746003409	\$680	\$9,947
27746003425	\$680	\$9,947
27746003441	\$680	\$9,947
27746003467	\$680	\$9,947
27746003483	\$680	\$9,947
27746003506	\$680	\$9,947
27746003522	\$680	\$9,947
27746003548	\$680	\$9,947
27746003564	\$680	\$9,947
27746003580	\$680	\$9,947
27746003603	\$680	\$9,947
27746003629	\$680	\$9,947
27746003645	\$680	\$9,947
27746003661	\$680	\$9,947
27746003687	\$680	\$9,947
27746003700	\$680	\$9,947
27746003726	\$680	\$9,947
27746003742	\$680	\$9,947
27746003768	\$680	\$9,947
27746003784	\$680	\$9,947
27746003807	\$680	\$9,947
27746003823	\$680	\$9,947

**NAPLES RESERVE
COMMUNITY DEVELOPMENT DISTRICT**

5

FIRST SUPPLEMENTAL
DISTRICT ENGINEER'S REPORT
FOR
NAPLES RESERVE COMMUNITY DEVELOPMENT DISTRICT
2018 CONSTRUCTION BOND

Prepared for:

BOARD OF SUPERVISORS
NAPLES RESERVE COMMUNITY DEVELOPMENT DISTRICT

ENGINEER:

HOLE MONTES, INC.
950 Encore Way
Naples, Florida 34110

FILE NO.: 2013030

APRIL 20, 2018

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1. INTRODUCTION

1.1 Description of the Naples Reserve Community

The Naples Reserve Planned Unit Development (PUD) is a 688 acre master planned residential community (the "Development"). It is approximately 1.5 miles east of CR-951 and 0.4 miles north of U.S. 41 in Collier County, Florida.

The Naples Reserve Community Development District (sometimes referred here in as "the District") consists of a total of 688 acres and its boundaries are the same as the PUD. (See Location Map – Exhibit 1). The District was created and chartered by the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act") and was established by Ordinance No. 08-37 of the Board of County Commissioners of the County on July 22, 2008 (the "Ordinance").

The Development will offer a maximum of 1,088 residential units. The Development may include single-family detached, zero lot line, single-family attached, townhouse patio, villas, and multi-family dwellings; as well as a clubhouse and recreational uses. The Development will be fully amenitized and will include stormwater management systems; utility infrastructure; irrigation facilities; landscaped roadways; gated entries; and landscaped perimeter berms. The Development will be developed in phases in response to market demands.

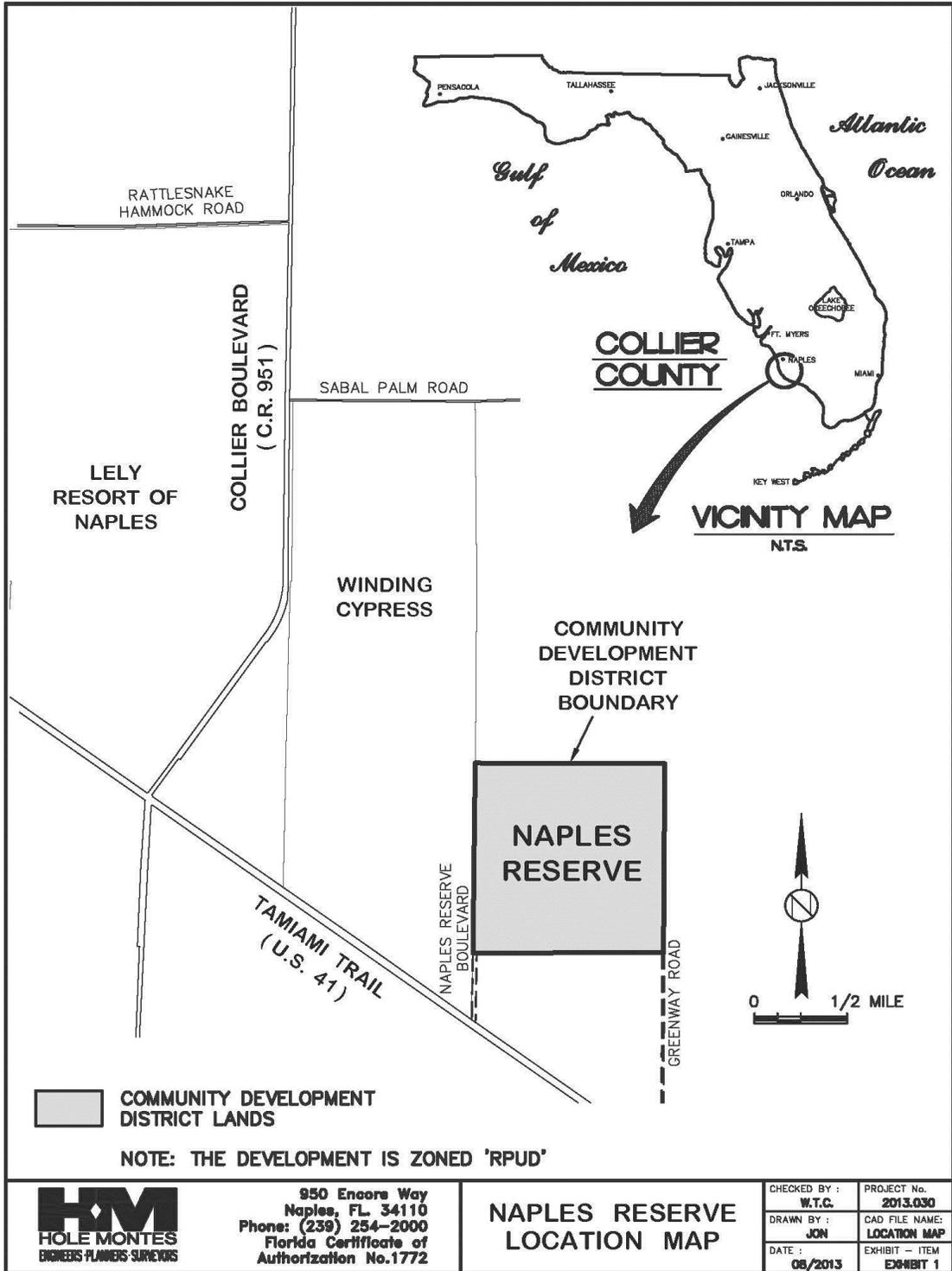
In support of the development plan for the Development, the District intends to finance, construct and/or acquire public infrastructure improvements including, but not limited to water and wastewater utilities, earthwork and clearing for stormwater management, and stormwater management facilities for the 2018 Project (the "2018 Project"). The improvements benefit all lands within the Naples Reserve Community Development District. The Naples Reserve District

was established to construct, operate, and maintain the necessary public infrastructure to serve the lands within the District.

1.2 Purpose and Scope of the Report

The purpose of this report is to provide a description of the 2018 Project public infrastructure improvements to serve the District and provide an opinion of probable cost for the proposed infrastructure elements.

EXHIBIT "1"



H:\2013\2013030\LD\DW\EXHIBITS\3030_CDD.dwg Tab: LOCATION MAP Aug 17, 2013 - 11:46am Plotted by: JonSmith



950 Encore Way
Naples, FL 34110
Phone: (239) 254-2000
Florida Certificate of
Authorization No.1772

NAPLES RESERVE
LOCATION MAP

CHECKED BY : W.T.C.	PROJECT No. 2013.030
DRAWN BY : JON	CAD FILE NAME: LOCATION MAP
DATE : 08/2013	EXHIBIT - ITEM EXHIBIT 1

2. DISTRICT BOUNDARIES AND PROPERTIES SERVED

2.1 District Boundaries

Exhibits 2 and 3 delineate the boundaries of the District. The District is surrounded by residential, agricultural, public and undeveloped land uses including undeveloped lands, to the West; undeveloped lands to the North, agricultural uses to the East; and undeveloped, residential and agricultural uses to the South.

The District is in the vicinity of other large developments along the Collier Boulevard and U.S. 41 corridor including Reflection Lakes, Verona Walk and Fiddler's Creek.

2.2 Description of Properties Served

The District is located in Section 1, Township 51 South, Range 26 East, Collier County, Florida.

The existing land within the District consists primarily of farm fields and ditches surrounded by a ditch and dike system. The terrain is flat with elevations ranging from 4 to 6 feet NAVD. Ground water is generally located at or above the surface during the rainy season. During the dry season water table elevations may drop 2 to 3 feet.

2.3 Existing Infrastructure (reference Exhibit 4)

The District is located within the Collier County Water-Sewer District, which provides water and wastewater services to the District. The Collier County Board of County Commissioners serves the Ex-Officio governing board of the Collier County Water-Sewer District.

Potable water for the District is provided by connection to and extension of existing Collier County Water-Sewer District water mains. Approximately 4.4 miles of water main were constructed to serve the development areas within the 2014 Project by the District.

Wastewater from the District is collected and transported by gravity sanitary sewer and/or force main to the existing Collier County Water-Sewer District facilities. The wastewater is ultimately pumped via force main to the South County Regional Wastewater Treatment Facility. Approximately 3.4 miles of gravity sewer, 1.2 miles of force main, and two pumping stations were constructed to serve the development within the 2014 Project by the District.

The irrigation system is supplied by onsite wells. Irrigation pumping facilities and irrigation transmission/distribution mains with services up to the development tracts, and for right-of-ways, common areas, berms, lake banks and open space will be provided by the District. No construction proceeds were used to acquire the irrigation system constructed in the 2014 Project. The irrigation system was constructed by the Developer and was conveyed to the Homeowners Association.

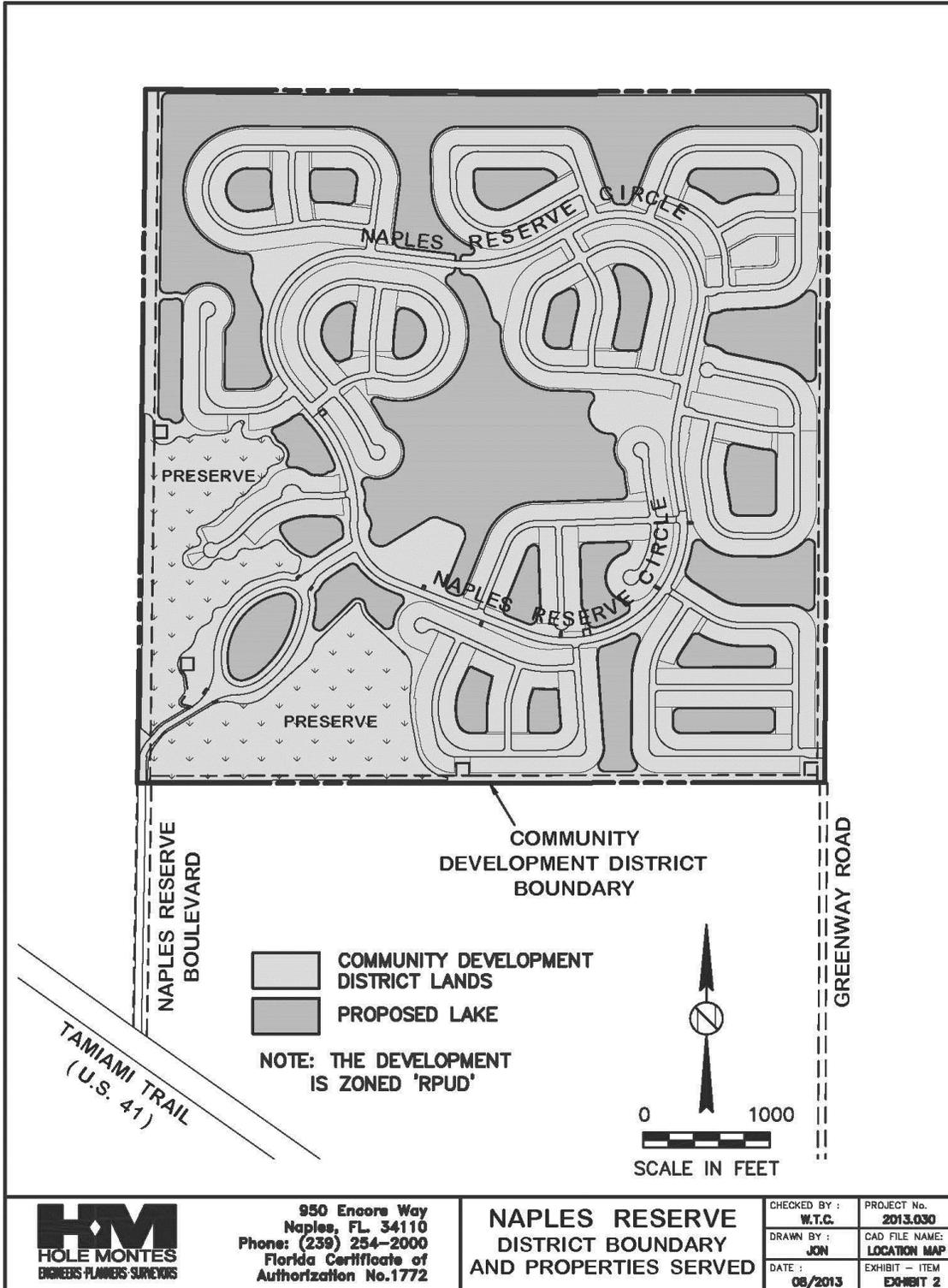
Stormwater runoff from the District flows via the lakes, storm drainage pipes, and swales into on-site wetlands which discharge into the Henderson Creek drainage basin to the southwest. Approximately 99 acres of lakes were excavated within the 2014 Project by the District.

The District is accessed via Naples Reserve Circle at the southwest corner of the site.

The District is located within the franchise area of Florida Power and Light. Telephone and cable services are available from various providers. These utilities provide electrical power, telephone service, and television cable to the District.

In summary, all utilities will be available to the property within the District during the development of the infrastructure.

EXHIBIT "2"



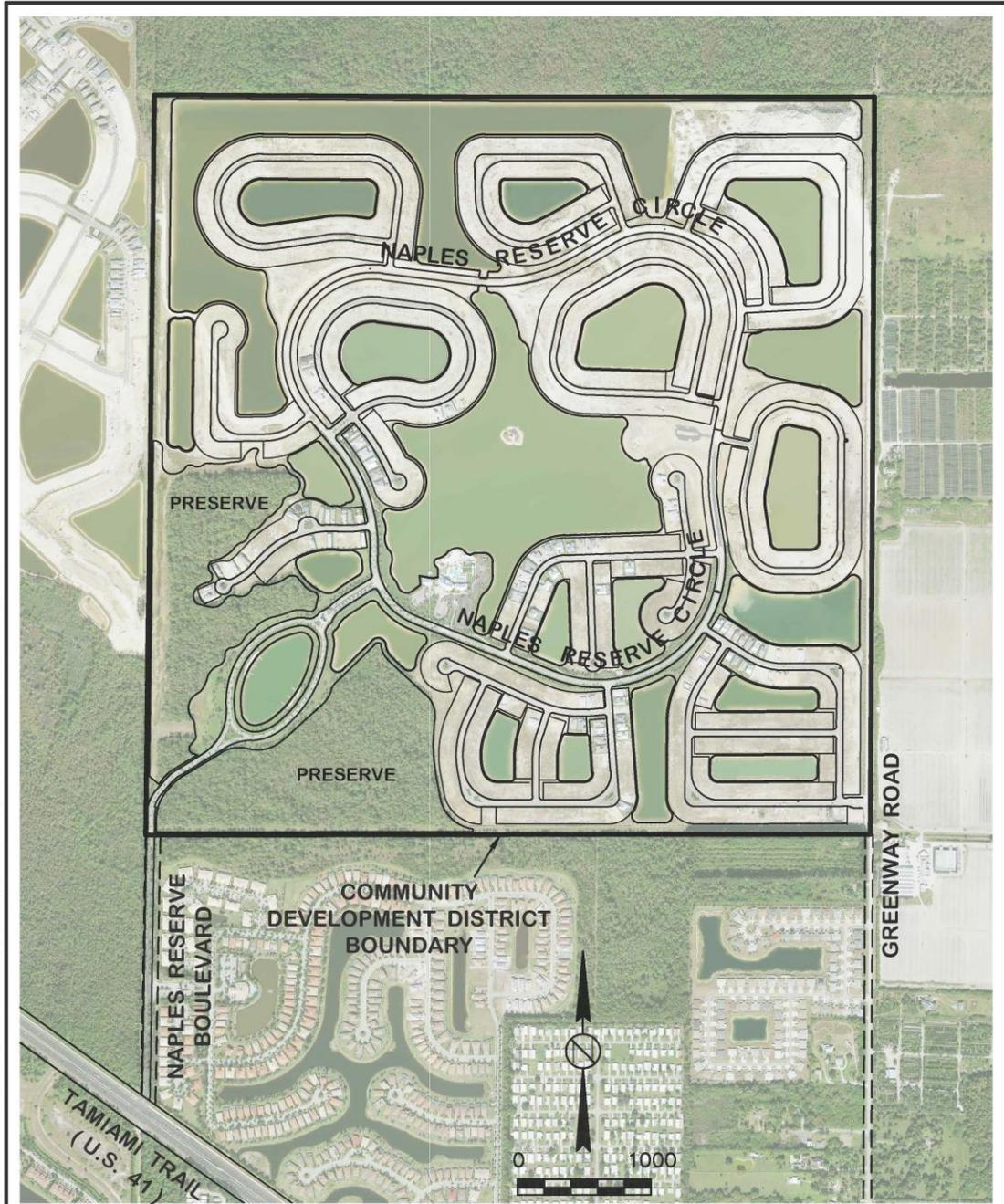
H:\2013\2013030\LD\DW\EXHIBITS\3030_CDD.dwg Tab: PROPERTIES Oct 18, 2013 - 5:09pm Plotted by: JonSmith



**950 Encore Way
Naples, FL 34110
Phone: (239) 254-2000
Florida Certificate of
Authorization No.1772**

**NAPLES RESERVE
DISTRICT BOUNDARY
AND PROPERTIES SERVED**

EXHIBIT "3"



H:\2013\2013030\LD\DW\EXHIBITS\3030_CDDrev.dwg Tab: AERIAL Mar 22, 2018 - 9:50am Plotted by: ErickNeil

SCALE IN FEET

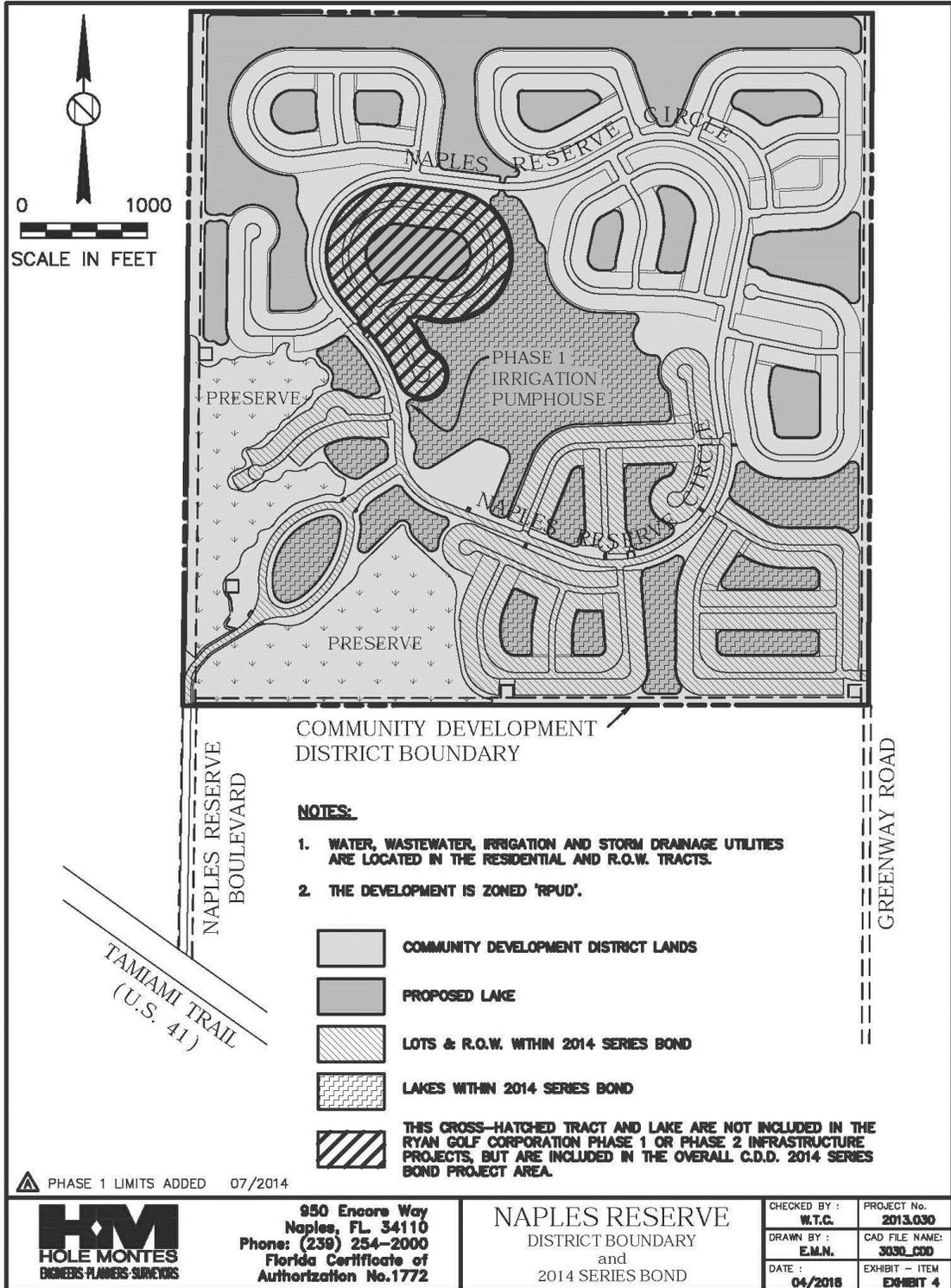


950 Encore Way
 Naples, FL 34110
 Phone: (239) 254-2000
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 Authorization No.1772

**NAPLES RESERVE
 DISTRICT BOUNDARY
 AND PHOTO AERIAL**

CHECKED BY : W.T.C.	PROJECT No. 2013.030
DRAWN BY : E.M.N.	CAD FILE NAME: LOCATION MAP
DATE : 03/2018	EXHIBIT - ITEM EXHIBIT 3

EXHIBIT 4



H:\2013\2013030\LD\DW\EXHIBITS\2017-10-05\3030_CDD.dwg Tab: Exhibit 4 Apr 17, 2018 - 5:32pm Plotted by: EricNeil



950 Encore Way
Naples, FL 34110
Phone: (239) 254-2000
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Authorization No.1772

NAPLES RESERVE
DISTRICT BOUNDARY
and
2014 SERIES BOND

CHECKED BY : W.T.C.	PROJECT No. 2013.030
DRAWN BY : E.M.M.	CAD FILE NAME: 3030_CDD
DATE : 04/2016	EXHIBIT - ITEM EXHIBIT 4

PROPOSED INFRASTRUCTURE

3. Infrastructure Project

The 2018 Project will be constructed in various phases to support the Development. The timing of the 2018 Project will be dependent upon economic and real estate market conditions. Reference Exhibit 5 for the 2018 Project areas.

3.1 Infrastructure Elements

The District's public infrastructure will generally consist of the following:

3.1.1 Utilities

3.1.2 Earthwork and Clearing for Stormwater Management

3.1.3 Stormwater Management Facilities

3.1.1 Utilities

The utilities within the 2018 Project will consist of potable water and wastewater systems which will be designed and constructed in accordance with appropriate Collier County Water-Sewer District and Florida Department of Environmental Protection standards. It is anticipated the water and wastewater facilities will be conveyed by the District to the Collier County Water-Sewer District for ownership, operation, and maintenance after completion of construction. The public utility improvements within the 2018 Project include water and wastewater lines along the entry road and Naples Reserve Circle (loop road) and the internal tract roadways.

The potable water facilities will include distribution mains with required valving, fire hydrants and water services to individual lots within the development tracts. Connections to the existing County system will be made along Naples Reserve Circle. Approximately 1.2 miles of water main are proposed to be constructed within the 2018 Project.

The wastewater facilities will include gravity collection mains and force mains flowing to existing pump stations, along the Naples Reserve Circle right-of-way. Approximately 0.3 miles of gravity sewer, 1.0 mile of force main, and one pumping station are proposed to be constructed within the 2018 Project.

No irrigation facilities are proposed to be funded by the 2018 Project.

3.1.2 Earthwork and Clearing for Stormwater Management

Stormwater management lakes within the 2018 Project will be excavated and the material will be used for fill of roadways, perimeter berms and development areas within the 2018 Project. It is necessary to fill these components to provide minimum finished elevations for typical storm events and flood protection. Only the costs for blasting and excavation will be included in the 2018 Project. The costs of loading, hauling and grading the excavated material will not be part of the 2018 Project, or paid by the District. Areas will be cleared to facilitate earthwork operations.

The lakes will be excavated in accordance with the size and depth requirements of Collier County, South Florida Water Management District. All excavated material will remain on the site as required by Collier County with the exception of material which may be hauled offsite in accordance with the Collier County commercial excavation permit.

3.1.3 Stormwater Management Facilities

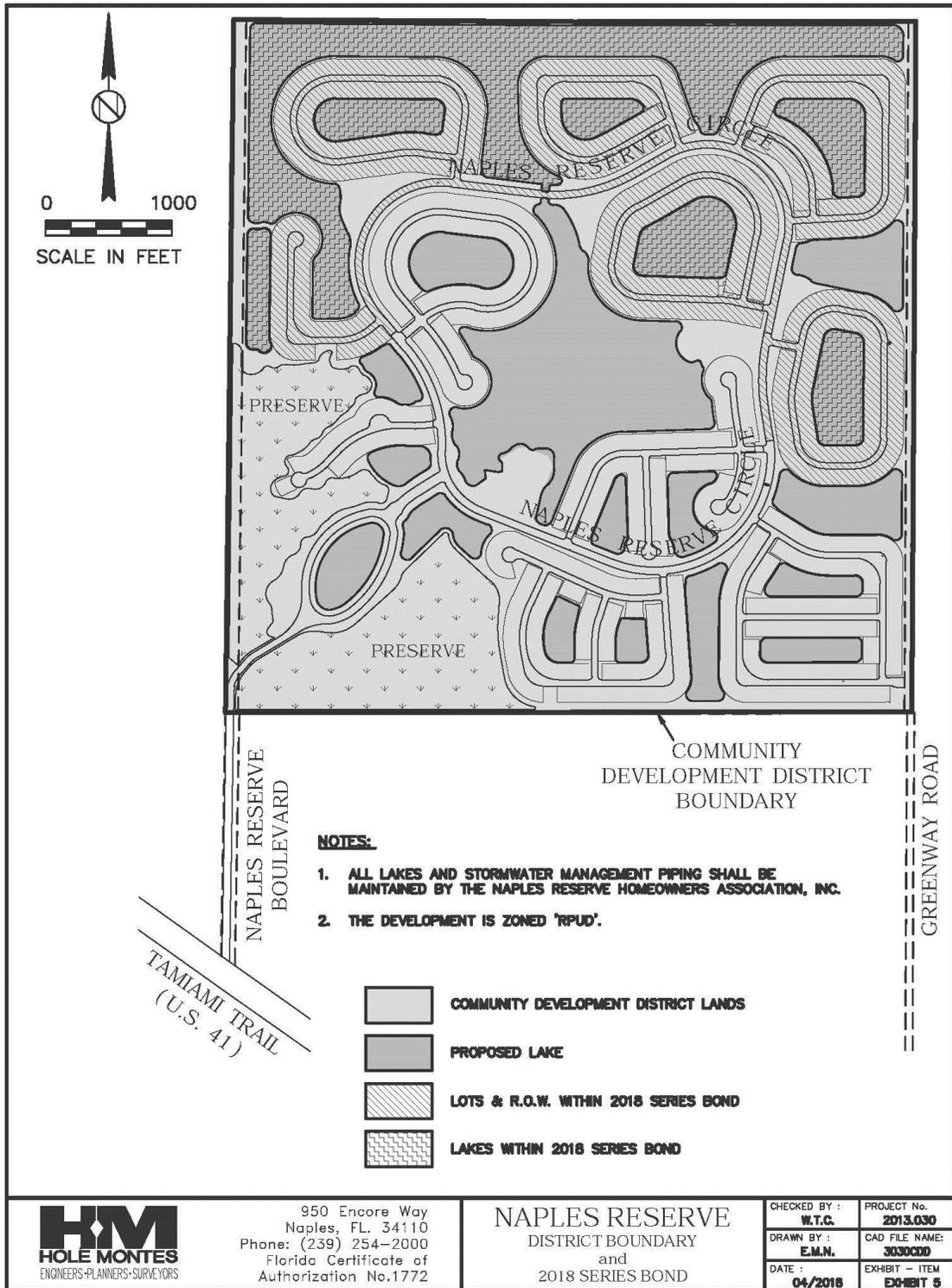
The stormwater management system will consist of excavated stormwater management lakes, stabilized lake banks and drainage pipes, catch basins, swales, berms and water control structures. Stormwater runoff will be collected and transported to the stormwater management lakes for water quality treatment and water quantity storage. The stormwater will discharge from water control structures into the existing wetland preserve areas at the southwest corner of the overall site.

The stormwater management system will be designed in accordance with South Florida Water Management District standards for water quality treatment, water quantity storage and flood protection.

The stormwater management improvements for the 2018 Project will be acquired by the District when completed. The District will own the stormwater management system for the 2018 Project, including the lakes which will be deeded to the District for ownership at no cost following excavation. Approximately 108 acres of lakes will be excavated within the 2018 Project by the District. The District will be responsible for perpetual maintenance of the stormwater management system. However, the District may transfer the maintenance responsibility to the Homeowner's Association.

Note: Wetland mitigation and monitoring is required by the U.S. Army Corps of Engineers for the Development. The District will be the permit holder, but the Homeowner's Association will be responsible for maintenance. The costs for wetland mitigation or monitoring will not be part of the 2018 Project, or paid by the District.

EXHIBIT 5



H:\2013\2013030\LD\DW\EXHIBITS\3030_CDD.dwg Tab: Exhibit 5 Apr 17, 2018 - 5:36pm Plotted by: EricNeil



950 Encore Way
Naples, FL 34110
Phone: (239) 254-2000
Florida Certificate of
Authorization No.1772

NAPLES RESERVE
DISTRICT BOUNDARY
and
2018 SERIES BOND

CHECKED BY : W.T.C.	PROJECT No. 2013.030
DRAWN BY : E.M.N.	CAD FILE NAME: 3030CDD
DATE : 04/2016	EXHIBIT - ITEM EXHIBIT 5

4. OPINION OF PROBABLE CONSTRUCTION COSTS AND BENEFIT

Table 2 presents a summary of the totals for the District infrastructure.

Table 3 provides the opinion of probable costs for the individual components of the District infrastructure comprising the 2018 Project including utilities (water, wastewater, and irrigation); earthwork and clearing; and stormwater management.

To the subtotals, 10 percent technical services and contingencies are added which includes the planning, land surveying, engineering, environmental permitting, landscape architecture, and other consulting, administrative and management services necessary for the design, permitting, and services during construction for the District infrastructure. The costs are shown in 2018 dollars.

The costs do not include the legal, administrative, financing, operation, or maintenance services necessary to finance, construct, and operate the District infrastructure.

It is my professional opinion that these costs are reasonable for the work to be performed and the public improvements comprising the 2018 Project benefit the District lands within the District. I believe that the District's planned 2018 Project to be financed with bonds can be constructed within the budget set forth in this Engineer's Report. The District's Assessment Methodology Report will apportion the cost based on the special benefit received by the residential units that comprise the District.

**TABLE 1
PROBABLE COSTS OF CONSTRUCTION
NAPLES RESERVE 2018 CONSTRUCTION BOND**

TOTALS

Work Item	
Utilities	\$1,476,300
Earthwork & Clearing	\$6,930,000
Stormwater Management	\$1,463,700
Subtotal	\$9,870,000
GRAND TOTALS	\$9,870,000

Estimated costs of construction are for those special powers permitted under section 190.012(1), Florida Statutes (2013). No estimates are provided for other powers available under Section 190.012(2), because consent to exercise such powers is by the local general purpose government within whose jurisdiction such powers are to be exercised, in this instance, Collier County, is required. Until such consent is or may be made upon petition of the Board of Supervisors of the District, no estimate of such costs will be provided.

The estimated costs and proposed timetable herein do not include anticipated capital carrying cost interest reserves or other applicable CDD expenditures including, without limitation, costs associated with bond financing, that may be incurred.

TABLE 2
PROBABLE COSTS OF CONSTRUCTION
NAPLES RESERVE 2018 CONSTRUCTION BOND

UTILITIES COMPONENT

Work Item	
Potable Water	\$411,500
Sanitary Sewer	\$930,600
SubTotal	\$1,342,100
10% Technical Services/Contingencies	\$134,200
TOTALS-UTILITIES	\$1,476,300

H:\2013\2013030\SSIBOND VALIDATION REPORT\Engineers Report 2018 Const. Bond\CDD TABLE 2 UTILITIES - 180322.xls

**TABLE 2
PROBABLE COSTS OF CONSTRUCTION
NAPLES RESERVE 2018 CONSTRUCTION BOND**

EARTHWORK & CLEARING COMPONENT

Work Item	
Clearing & Earthwork	\$6,300,000
SubTotal	\$6,300,000
10% Technical Services/Contingencies	\$630,000
TOTALS-EARTHWORK & CLEARING	\$6,930,000

H:\2013\2013030\SS\BOND VALIDATION REPORT\Engineers Report 2018 Const. Bond\CDD TABLE 2 EARTHWORK - 180420.xlsx

TABLE 2
PROBABLE COSTS OF CONSTRUCTION
NAPLES RESERVE 2018 CONSTRUCTION BOND
STORMWATER MANAGEMENT COMPONENT

<u>Work Item</u>	
Conspan Bridge	\$928,500
Stormwater Management System	\$402,100
SubTotal	\$1,330,600
10% Technical Services/Contingencies	\$133,100
TOTALS-STORMWATER	\$1,463,700

H:\2013\2013030\SSIBOND VALIDATION REPORT\Engineers Report 2018 Const. Bond\CDD TABLE 2 STORMWATER - 180322.xls

PERMITS

The following permits were/are required prior to the start of infrastructure construction:

- Collier County zoning approval (in place – Naples Reserve Golf Club RPUD).
- Dredge and Fill by the United States Army Corps of Engineers (in place).
- South Florida Water Management District Surface Water Management and Water Use (in place).
- Florida Department of Environmental Protection (FDEP) Water and Wastewater.
- Florida Department of Environmental Protection (FDEP) NPDES.
- Local Development Orders (Collier County).

The District Engineer hereby certifies that all permits necessary to complete the 2018 Project have either been obtained, or in its expert opinion, will be obtained and that there is no reason to believe that the necessary permits cannot be obtained for the entire development.

It is our opinion that the Opinion of Estimated Construction Cost presented herein is reasonable and adequate for the District's purposes to acquire and/or construct the proposed infrastructure systems. Further, that the proposed infrastructure systems will provide benefit to all lands within the District and these benefits will exceed in value the costs set forth herein. All the proposed District infrastructure systems identified in this report are consistent with and authorized pursuant to Chapter 190.012, Florida Statutes.

**NAPLES RESERVE
COMMUNITY DEVELOPMENT DISTRICT**

6

RESOLUTION 2018-02

A RESOLUTION OF THE BOARD OF SUPERVISORS OF NAPLES RESERVE COMMUNITY DEVELOPMENT DISTRICT AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$10,000,000 AGGREGATE PRINCIPAL AMOUNT OF ITS NAPLES RESERVE COMMUNITY DEVELOPMENT DISTRICT (COLLIER COUNTY, FLORIDA) SPECIAL ASSESSMENT BONDS, SERIES 2018 (THE “SERIES 2018 BONDS”); APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A SECOND SUPPLEMENTAL TRUST INDENTURE RELATING TO THE SERIES 2018 BONDS; DETERMINING THE NEED FOR A NEGOTIATED LIMITED OFFERING OF THE SERIES 2018 BONDS AND PROVIDING FOR A DELEGATED AWARD OF SUCH SERIES 2018 BONDS; APPOINTING THE UNDERWRITER FOR THE LIMITED OFFERING OF THE SERIES 2018 BONDS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT WITH RESPECT TO THE SERIES 2018 BONDS; APPROVING THE FORM OF AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY LIMITED OFFERING MEMORANDUM; APPROVING THE EXECUTION AND DELIVERY OF A FINAL LIMITED OFFERING MEMORANDUM; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A CONTINUING DISCLOSURE AGREEMENT; APPROVING THE APPLICATION OF BOND PROCEEDS; MAKING CERTAIN DECLARATIONS; PROVIDING FOR THE REGISTRATION OF THE SERIES 2018 BONDS PURSUANT TO THE DTC BOOK-ENTRY ONLY SYSTEM; AUTHORIZING THE PROPER OFFICIALS TO DO ALL THINGS DEEMED NECESSARY IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF THE SERIES 2018 BONDS; PROVIDING FOR CERTAIN OTHER MATTERS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Naples Reserve Community Development District (the “District”) is a local unit of special purpose government duly organized and existing under the provisions of the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the “Act”) and created by Ordinance No. 08-37 enacted by the Board of County Commissioners of Collier County, Florida on July 22, 2008;

WHEREAS, the District was created for the purpose of delivering certain community development services and facilities within and outside its jurisdiction, and the District has heretofore determined to undertake the planning, financing, construction and/or acquisition of public infrastructure improvements including, but not limited to water, wastewater and irrigation utilities, earthwork and clearing for storm water management and storm water management

facilities and associated professional fees and incidental costs related thereto pursuant to the Act (the “Project”);

WHEREAS, the Board of Supervisors of the District (herein, the “Board”) has previously adopted Resolution No. 2014-4 on November 25, 2013 (the “Initial Resolution”), authorizing, among other things, the issuance, in one or more series, of not to exceed \$47,210,000 aggregate principal amount of its Naples Reserve Community Development District (Collier County) Special Assessment Bonds to finance, from time to time, all or a portion of the costs of the planning, financing, acquisition, construction, reconstruction, equipping and installation of the Project;

WHEREAS, on April 9, 2014, the Circuit Court of the Twentieth Judicial Circuit of Florida, in and for Collier County, Florida, issued a Final Judgment validating the Bonds and the proceedings incident thereto to the extent required by and in accordance with Section 190.016(12), Florida Statutes;

WHEREAS, on August 28, 2014, the District issued its \$7,680,000 aggregate principal amount of Naples Reserve Community Development District (Collier County, Florida) Special Assessment Bonds, Series 2014 Bonds (the “Series 2014 Bonds”), pursuant to Resolution No. 2014-13 adopted on July 29, 2014 for the primary purpose of financing a portion of the costs of the Series 2014 Project (as further described in the First Supplemental Indenture), pursuant to that certain Master Trust Indenture dated as of August 1, 2014 (the “Master Indenture”), as supplemented by a First Supplemental Trust Indenture, dated as of August 1, 2014 (the “First Supplemental Indenture”), each between the District and U.S. Bank National Association, as trustee (the “Trustee”); and

WHEREAS, the District desires to authorize the issuance of its Naples Reserve Community Development District (Collier County, Florida) Special Assessment Bonds, Series 2018 (the “Series 2018 Bonds”) for the purpose, among other things, of providing funds for the payment of a portion of the costs of the Series 2018 Project (the “Series 2018 Project”), as more specifically described in that certain District Engineer's Report for Naples Reserve Community Development District Report dated November 5, 2013, as supplemented by that certain supplemental District Engineer's Report for Naples Reserve Community Development District, dated as of [March 21], 2018, each prepared by Hole Montes, Inc. (collectively, the “Engineer's Report”); and

WHEREAS, the Series 2018 Bonds will be secured by the Series 2018 Pledged Revenues, as provided in the hereinafter defined Second Supplemental Indenture, which Series 2018 Pledged Revenues include Series 2018 Special Assessments (as defined in the Second Supplemental Indenture); and

WHEREAS, the Series 2018 Special Assessments will be levied pursuant to the Naples Reserve Community Development District Master Special Assessment Methodology Report dated November 8, 2013, as supplemented by the Supplemental Special Assessment Methodology Report for Naples Reserve Community Development District dated August 19, 2014, as further supplemented by the Second Supplemental Special Assessment Report dated

April 17, 2018, including, without limitation, all exhibits and appendices thereto, each prepared by Wrathell, Hunt and Associates, LLC (the "Assessment Methodology"); and

WHEREAS, there has been submitted to this meeting with respect to the issuance and sale of the Series 2018 Bonds and submitted to the Board:

(i) a form of Second Supplemental Trust Indenture between U.S. Bank National Association, as trustee (the "Trustee") and the District attached hereto as **Exhibit A** (the "Second Supplemental Indenture" and together with the Master Indenture, the "Indenture");

(ii) a form of Bond Purchase Agreement with respect to the Series 2018 Bonds between FMSbonds, Inc. (the "Underwriter") and the District attached hereto as **Exhibit B** (the "Bond Purchase Agreement"), together with the form of a disclosure statement attached to the Bond Purchase Agreement in accordance with Section 218.385, Florida Statutes;

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

(iv) a form of Rule 15c2-12 Certificate of the District relating to the Preliminary Limited Offering Memorandum, attached hereto as **Exhibit D** (the "Rule 15c2-12 Certificate"); and

(v) a form of the Continuing Disclosure Agreement to be entered into between the District, SFI Naples Reserve, LLC, a Delaware limited liability company, and Naples AW Holdco LLC, a Delaware limited liability company (collectively, the "Primary Landowners"), and the dissemination agent named therein, attached hereto as **Exhibit E**.

WHEREAS, in connection with the sale of the Series 2018 Bonds, it may be necessary that certain modifications be made to the Assessment Methodology Reports and the Engineer's Report to conform such reports to the final terms of the Series 2018 Bonds; and

WHEREAS, the proceeds of the Series 2018 Bonds shall be used to provide funding for (i) paying Costs of the Series 2018 Project, (ii) paying capitalized interest on the Series 2018 Bonds, (iii) funding a deposit to the Series 2018 Debt Service Reserve Account, and (iv) paying the costs of issuance of the Series 2018 Bonds.

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

Section 1. Authorization of Issuance of Series 2018 Bonds. There are hereby authorized and directed to be issued the District's Series 2018 Bonds for the purpose of providing funds for (i) paying Costs of the Series 2018 Project, (ii) paying capitalized interest on the Series 2018 Bonds, (iii) funding a deposit to the Series 2018 Debt Service Reserve Account, and (iv) paying the costs of issuance of the Series 2018 Bonds.

The Series 2018 Bonds shall be issued under and secured by the Second Supplemental Indenture referred to below, the forms of which by reference are hereby incorporated into this resolution as if set forth in full herein.

Section 2. Details of the Series 2018 Bonds. The proceeds of the Series 2018 Bonds shall be applied in accordance with the provisions of Section 8 hereof and of the Indenture. The Series 2018 Bonds shall mature in the years and in the amounts, bear interest at such rates and be subject to redemption, all as provided in the Indenture. The execution of the Second Supplemental Indenture shall constitute approval of such terms as set forth in this Section 2. The maximum aggregate principal amount of the Series 2018 Bonds authorized to be issued pursuant to this Resolution and the Second Supplemental Trust Indenture shall not exceed \$10,000,000 with respect to the Series 2018 Bonds.

Section 3. Second Supplemental Indenture. The District does hereby authorize and approve the execution by the Chairperson, the Vice Chairperson (or, in the absence of the Chairperson or Vice Chairperson, any other member of the Board (“Designated Member”) and the Secretary and the delivery of the Second Supplemental Indenture. The Second Supplemental Indenture, together with the Master Indenture shall provide for the security of the Series 2018 Bonds and express the contract between the District and the owners of the Series 2018 Bonds. The Second Supplemental Indenture shall be substantially in the form attached hereto as **Exhibit A** and is hereby approved, with such changes therein as are necessary or desirable to reflect the terms of the sale of the Series 2018 Bonds as shall be approved by the Chairperson or Vice Chairperson (or, in the absence of the Chairperson or the Vice Chairperson, any Designated Member) executing the same, with such execution to constitute conclusive evidence of such officer's approval and the District's approval of any changes therein from the form of the Second Supplemental Indenture attached hereto as **Exhibit A**.

Section 4. Negotiated Limited Offering. The Series 2018 Bonds shall be sold by a negotiated sale to the Underwriter. It is hereby determined by the District that a negotiated sale of the Series 2018 Bonds to the Underwriter will best effectuate the purposes of the Act, is in the best interests of the District and is necessitated by, in general, the characteristics of the issues and prevailing market conditions and specifically, the following additional reasons:

(i) because of the complexity of the financing structure of the Series 2018 Bonds, including the pledge of Special Assessments as security for the Series 2018 Bonds, it is desirable to sell the Series 2018 Bonds pursuant to a negotiated sale so as to have an underwriter involved from the outset of the financing to assist in these matters;

(ii) because of changing market conditions for tax-exempt bonds and the necessity of being able to adjust the terms of the Series 2018 Bonds, it is in the best interests of the District to sell the Series 2018 Bonds by a negotiated sale;

(iii) the Underwriter has participated in structuring the issuance of the Series 2018 Bonds and can assist the District in attempting to obtain the most attractive financing for the District;

(iv) the Series 2018 Bonds do not bear a credit rating and will be 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; and

(v) the District will not be adversely affected if the Series 2018 Bonds are not sold pursuant to a competitive sale.

Section 5. Bond Purchase Agreement. The District hereby approves the form of the Bond Purchase Agreement submitted by the Underwriter and attached as **Exhibit B** hereto, and the sale of the Series 2018 Bonds by the District to the Underwriter upon the terms and conditions set forth in the Bond Purchase Agreement is hereby approved. The Chairperson, Vice Chairperson or a Designated Member is each hereby authorized, acting individually, to execute the Bond Purchase Agreement and to deliver the Bond Purchase Agreement to the Underwriter. The Bond Purchase Agreement shall be in substantially the form of the Bond Purchase Agreement attached hereto as **Exhibit B** with such changes, amendments, modifications, omissions and additions as may be approved by the Chairperson, Vice Chairperson or the Designated Member; provided, however,

(a) The aggregate principal amount of the Series 2018 Bonds shall not exceed \$10,000,000;

(b) The interest rate(s) borne by the Series 2018 Bonds shall not exceed an average net interest cost rate, which shall be computed by adding 300 basis points to The Bond Buyer "20 Bond Index" published immediately preceding the first day of the calendar month in which the bonds are sold, as provided in Section 215.84(3), Florida Statutes, as amended;

(c) The Series 2018 Bonds shall finally mature no later than November 1, 2050;

(d) The Series 2018 Bonds shall be subject to redemption prior to maturity at the option of the District no later than November 1, 2032 at a redemption price equal to the principal amount to be redeemed plus accrued interest; and

(e) The applicable underwriting spread paid to the Underwriter shall not exceed two and one-half percent (2.5%) of the aggregate principal amount of the Series 2018 Bonds, which shall be calculated without taking into account any original interest discount.

Execution by the Chairperson, Vice Chairperson or a Designated Member of the Bond Purchase Agreement shall be deemed to be conclusive evidence of approval of such changes.

Section 6. Limited Offering Memorandum. The District hereby approves the form of Preliminary Limited Offering Memorandum attached hereto as **Exhibit C**, and authorizes its distribution and use in connection with the limited offering for sale of the Series 2018 Bonds with such changes as shall be approved by the Chairperson, Vice Chairperson or any Designated Member as necessary to conform the details of the Series 2018 Bonds and such other insertions,

modifications and changes as may be approved by the Chairperson, Vice Chairperson or any Designated Member. In addition, the preparation of a final Limited Offering Memorandum is hereby approved and the Chairperson, Vice Chairperson or any Designated Member is hereby authorized to execute such final Limited Offering Memorandum to be dated the date of the award of the Series 2018 Bonds and, upon such award, to deliver the same to the Underwriter for use by it in connection with the sale and distribution of the Series 2018 Bonds. The final Limited Offering Memorandum shall be substantially in the form of the Preliminary Limited Offering Memorandum attached as **Exhibit C** hereto, with such changes as shall be approved by the Chairperson, Vice Chairperson or Designated Member as necessary to conform the details of the Series 2018 Bonds and such other insertions, modifications and changes as may be approved by the Chairperson, Vice Chairperson or Designated Member. The execution and delivery of the final Limited Offering Memorandum by the Chairperson, Vice Chairperson or Designated Member shall constitute evidence of the approval thereof. The Chairperson, Vice Chairperson or any Designated Member is further authorized to deem the Preliminary Limited Offering Memorandum “final” within the meaning of Rule 15c2-12 of the Securities and Exchange Commission promulgated under and pursuant to the Securities Exchange Act of 1934, in the form as posted, and in furtherance thereof to execute the Rule 15c2-12 Certificate evidencing the same substantially in the forms attached hereto as **Exhibit D**.

Section 7. Continuing Disclosure. The District hereby authorizes and approves the execution and delivery of a Continuing Disclosure Agreement by the Chairperson, Vice Chairperson or a Designated Member substantially in the form presented to this meeting and attached hereto as **Exhibit E**, with such changes therein as shall be approved by the Chairperson, Vice Chairperson or Designated Member executing the same, with such execution to constitute conclusive evidence of such officer's approval and the District's approval of any changes therein from the form of Continuing Disclosure Agreement attached hereto. The Continuing Disclosure Agreement is being executed by the District in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) promulgated by the Securities Exchange Commission.

Section 8. Application of Bond Proceeds. The proceeds of the Series 2018 Bonds shall be applied to (i) paying Costs of the Series 2018 Project, (ii) paying capitalized interest on the Series 2018 Bonds, (iii) funding a deposit to the Series 2018 Debt Service Reserve Account, and (iv) paying the costs of issuance of the Series 2018 Bonds; all as shall be further described in the Second Supplemental Indenture.

Section 9. Appointment of Underwriter. The Board hereby formally appoints FMSbonds, Inc. as the Underwriter for the Series 2018 Bonds.

Section 10. Assessment Methodology. The Board hereby authorizes any modifications to the Special Assessment Methodology, if such modifications are determined to be necessary in connection with the issuance of the Series 2018 Bonds.

Section 11. Engineer's Report. The Board hereby authorizes any modifications to the Engineer's Report, if such modifications are determined to be necessary in connection with the issuance of the Series 2018 Bonds.

Section 12. Further Official Action; Ratification of Prior and Subsequent Acts.

The Chairperson, Vice Chairperson, Designated Member, the Secretary and each member of the Board of Supervisors of the District and any other proper official of the District are each hereby authorized and directed to execute and deliver any and all documents and instruments (including, without limitation, any documents required by the Trustee to evidence its rights and obligations with respect to the Series 2018 Bonds, any documents required in connection with implementation of a book-entry system of registration, and investment agreements relating to the investment of the proceeds of the Series 2018 Bonds and any agreements in connection with maintaining the exclusion of interest on the Series 2018 Bonds from gross income of the holders thereof) and to do and cause to be done any and all acts and things necessary or desirable for carrying out the transactions contemplated by this Resolution. In the event that the Chairperson, Vice Chairperson, Designated Member, or the Secretary is unable to execute and deliver the documents herein contemplated, such documents shall be executed and delivered by the respective designee of such officer or official or any other duly authorized officer or official of the District. The Secretary or any Assistant Secretary is hereby authorized and directed to apply and attest the official seal of the District to any agreement or instrument authorized or approved herein that requires such a seal and attestation. The Chairperson, Vice Chairperson or any Designated Member may, among other things, change the date of any document accompanying this Resolution as an exhibit. Execution by the Chairperson, Vice Chairperson or a Designated Member of such document shall be deemed to be conclusive evidence of approval of such change of date. All of the acts and doings of such members of the Board, the officers of the District, and the agents and employees of the District, which are in conformity with the intent and purposes of this resolution, whether heretofore or hereafter taken or done, shall be and are hereby ratified, confirmed and approved.

Section 13. 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 14. Inconsistent Proceedings. All resolutions or proceedings, or parts thereof, in conflict with the provisions hereof are to the extent of such conflict hereby repealed or amended to the extent of such inconsistency.

Section 15. Public Meetings. It is hereby found and determined that all formal actions of the District concerning and relating to the adoption of this Resolution and the consummation of the transactions contemplated by this Resolution were adopted in open meetings of the District, and that all deliberations of the District that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements.

Section 16. Effective Date. This resolution shall take effect immediately upon its adoption.

PASSED in Public Session of the Board of Supervisors of Naples Reserve Community Development District, this 3rd day of May, 2018.

**NAPLES RESERVE COMMUNITY
DEVELOPMENT DISTRICT**

Attest:

Secretary, Board of Supervisors

Chairperson, Board of Supervisors

EXHIBIT A

FORM OF SECOND SUPPLEMENTAL TRUST INDENTURE

SECOND SUPPLEMENTAL TRUST INDENTURE

BETWEEN

NAPLES RESERVE COMMUNITY DEVELOPMENT DISTRICT

AND

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

Dated as of [_____, 2018]

Authorizing and Securing

**[\$NTE]
NAPLES RESERVE COMMUNITY DEVELOPMENT DISTRICT
(Collier County, Florida)
Special Assessment Bonds, Series 2018**

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THIS **SECOND SUPPLEMENTAL TRUST INDENTURE** dated as of [_____, 2018] (the “Second Supplemental Indenture”) between **NAPLES RESERVE COMMUNITY DEVELOPMENT DISTRICT** (the “District”), a local unit of special-purpose government organized and existing under the laws of the State of Florida, and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association duly organized and existing under the laws of the United States of America (said banking association and any bank or trust company becoming successor trustee under this Second Supplemental Indenture being hereinafter referred to as the “Trustee”);

W I T N E S S E T H:

WHEREAS, the District is a local unit of special purpose government duly organized and existing under the provisions of the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the “Act”), created pursuant to Ordinance No 08-37 enacted by the Board of County Commissioners of Collier County, Florida on July 22, 2008 (the “Ordinance”), for the purposes of delivering community development services and facilities to property to be served by the District (as defined below); and

WHEREAS, the premises governed by the District are described more fully in Exhibit A to the Master Trust Indenture dated as of August 1, 2014 (the “Master Indenture”) between the District and the Trustee (referred to herein as the “District Lands”), currently consist of approximately 688 gross acres of land located entirely within Collier County, Florida (the “County”); and

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

WHEREAS, the District has heretofore determined to undertake, in one or more stages, the planning, financing, acquisition, construction, reconstruction, equipping and installation of certain water, sewer, storm water management, roads, and landscaping/irrigation improvements and associated professional fees and incidental costs related thereto pursuant to the Act, for the special benefit of the District Lands (as further described in Exhibit B to the Master Indenture, the “Project”); and

WHEREAS, the Board of Supervisors of the District (herein, the “Board”) has previously adopted Resolution No. 2014-4 on November 25, 2013 (the “Initial Resolution”), authorizing, among other things, the issuance, in one or more series, of not to exceed \$47,210,000 aggregate principal amount of its Naples Reserve Community Development District (Collier County) Special Assessment Bonds to finance, from time to time, all or a portion of the costs of the planning, financing, acquisition, construction, reconstruction, equipping and installation of the Project; and

WHEREAS, on August 28, 2014 the District issued its \$7,680,000 in aggregate principal amount of its Naples Reserve Community Development District (Collier County, Florida) Special Assessment Bonds, Series 2014 (the “Series 2014 Bonds”), pursuant to Resolution No. 2014-13 adopted on July 29, 2014 for the primary purpose of financing a portion of the costs of the Series 2014 Project (as further described in the First Supplemental Indenture), pursuant to that certain Master Indenture, as supplemented by the First Supplemental Trust Indenture, dated

as of August 1, 2014 (the “First Supplemental Indenture”), each between the District and the Trustee; and

WHEREAS, the Series 2014 Bonds are secured by the Series 2014 Pledged Revenues (as defined in the First Supplemental Indenture), including Series 2014 Special Assessments levied on the first 49[9] residential units; and

WHEREAS, the Board duly adopted Resolution No. 2018-___ on April 23, 2018, supplementing the Initial Resolution and authorizing, among other things, the sale of its Naples Reserve Community Development District (Collier County, Florida) Special Assessment Bonds, Series 2018 in an aggregate principal amount not to exceed \$[NTE] pursuant to the Master Indenture and this Second Supplemental Indenture (hereinafter sometimes collectively referred to as the “Indenture”), for the purpose, among other things, of providing funds for the payment of a portion of the costs of the Series 2018 Project (such public infrastructure as described on Exhibit A attached hereto is herein collectively referred to as the “Series 2018 Project”); and

WHEREAS, the proceeds of the Series 2018 Bonds will be used to provide funds for (i) the payment of the Costs of acquiring and constructing the Series 2018 Project; (ii) funding the Series 2018 Debt Service Reserve Account, (iii) payment of capitalized interest on the Series 2018 Bonds through [_____ 1, _____], and (iv) the payment of the costs of issuance of the Series 2018 Bonds; and

WHEREAS, the Series 2018 Bonds will be secured by a pledge of the Series 2018 Pledged Revenues (as hereinafter defined) to the extent provided herein; and

NOW, THEREFORE, THIS SECOND SUPPLEMENTAL INDENTURE WITNESSETH, that to provide for the issuance of the Series 2018 Bonds, the security and payment of the principal or redemption price thereof (as the case may be) and interest thereon, the rights of the Bondholders and the performance and observance of all of the covenants contained herein and in said Series 2018 Bonds, and for and in consideration of the mutual covenants herein contained and of the purchase and acceptance of the Series 2018 Bonds by the Owners thereof, from time to time, and of the acceptance by the Trustee of the trusts hereby created, and intending to be legally bound hereby, the District does hereby assign, transfer, set over and pledge to U.S. Bank National Association, as Trustee, its successors in trust and its assigns forever, and grants a lien on all of the right, title and interest of the District in and to the Series 2018 Pledged Revenues (hereinafter defined) as security for the payment of the principal, redemption or purchase price of (as the case may be) and interest on the Series 2018 Bonds issued hereunder, and any Bonds issued on a parity with the Series 2018 Bonds, all in the manner hereinafter provided, and the District further hereby agrees with and covenants unto the Trustee as follows:

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

IN TRUST NEVERTHELESS, for the equal and ratable benefit and security of all present and future Owners of the Series 2018 Bonds issued and to be issued under this Second Supplemental Indenture, without preference, priority or distinction as to lien or otherwise (except

as otherwise specifically provided in this Second Supplemental Indenture) of any one Series 2018 Bond over any other Series 2018 Bond, all as provided in the Indenture, and any Bonds issued on a parity with the Series 2018 Bonds.

PROVIDED, HOWEVER, that if the District, its successors or assigns, shall well and truly pay, or cause to be paid, or make due provision for the payment of the principal or redemption price of the Series 2018 Bonds issued, and any Bonds issued on a parity with the Series 2018 Bonds, secured and Outstanding hereunder and the interest due or to become due thereon, at the times and in the manner mentioned in such Series 2018 Bonds and the Indenture, according to the true intent and meaning thereof and hereof, and the District shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of the Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments this Second Supplemental Indenture and the rights hereby granted shall cease and terminate, otherwise this Second Supplemental Indenture to be and remain in full force and effect.

ARTICLE I

DEFINITIONS

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

“Acquisition Agreement” shall mean that certain Development Acquisition Agreement to be dated as of [_____], 2018, by and between the District and the Developer relating to the acquisition of the Series 2018 Project.

“Arbitrage Certificate” shall mean that certain Arbitrage Certificate, including rebate covenants, of the District, dated [CLOSING DATE], relating to certain restrictions on arbitrage under the Code with respect to the Series 2018 Bonds.

“Assessment Methodology” shall mean, collectively, the Naples Reserve Community Development District Master Special Assessment Methodology Report dated November 8, 2013, as supplemented by the Supplemental Special Assessment Methodology Report for Naples Reserve Community Development District dated August 19, 2014, as further supplemented by the Second Supplemental Special Assessment Report dated April [___], 2018, including, without limitation, all exhibits and appendices thereto, each prepared by Wrathell, Hunt and Associates, LLC.

“Assessment Resolutions” shall mean the District’s Resolution Nos. 2014-1 and 2014-2 adopted on November 25, 2013, Resolution No. 2014-7 adopted on January 8, 2014, Resolution No. 2014-10 adopted on February 12, 2014, and Resolution No. 2018-__ adopted on April __, 2018, each as may be amended and supplemented from time to time.

“Authorized Denomination” shall mean, with respect to the Series 2018 Bonds, on the date of issuance, in the denominations of \$5,000 and any integral multiple thereof provided, however, if any initial beneficial owner does not purchase at least \$100,000 of the Series 2018 Bonds at the time of initial delivery of the Series 2018 Bonds, such beneficial owner must execute and deliver to the Trustee, the District and the Underwriter on the date of delivery of the Series 2018 Bonds the investor letter in the form attached hereto as Exhibit D.

“Collateral Assignment” shall mean the Collateral Assignment and Assumption of Development Rights Relating to the Project, dated as of [_____, 2018] by and between the District and the Developer, as such agreement may be modified from time to time.

“Completion Agreement” shall mean the Funding and Completion Agreement dated as of [_____, 2018] by and between the District and the Developer, as such agreement may be modified from time to time.

“Continuing Disclosure Agreement” shall mean the Continuing Disclosure Agreement for the benefit of the owners of the Series 2018 Bonds, dated as of [CLOSING DATE], by and among the District, the Developer, and the dissemination agent named therein.

“Debt Service Reserve Requirement” shall mean, with respect to the Series 2018 Bonds, the amount equal to [___]% of the maximum annual Debt Service Requirements for the Outstanding Series 2018 Bonds calculated as of the date of issuance, and subsequently recalculated as provided in Section 4.01(g) herein.

“Developer” shall collectively, mean SFI Naples Reserve LLC, a Delaware limited liability company and Naples AW Holdco LLC, a Delaware limited liability company both of which are ultimately wholly owned and managed by iStar Financial Inc., a Maryland corporation, and any affiliates or entities which succeed to all or any part of the interests and assume any or all of the responsibilities of the Developer with respect to the development of the District Lands.

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

“Engineer's Report” shall mean the District Engineer's Report for Naples Reserve Community Development District Report dated November 5, 2013, as supplemented by that certain Supplemental District Engineer's Report for Naples Reserve Community Development District, dated as of March 21, 2018, each prepared by Hole Montes, Inc. (collectively, the “Engineer's Report”).

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

“Interest Payment Date” shall mean May 1 and November 1 of each year, commencing November 1, 2018.

“Majority Owners” shall mean the Beneficial Owners of more than 50% of the principal amount of the Series 2018 Bonds Outstanding.

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

“Prepayment” shall mean the payment by any owner of property of the amount of Special Assessments encumbering its property, in whole or in part, prior to its scheduled due date, including optional prepayments and prepayments which become due pursuant to the “true-up” mechanism contained in the Assessment Resolutions. “Prepayments” shall include, without limitation, Series 2018 Prepayment Principal.

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

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

“Resolution” shall mean, collectively, Resolution No. 2014-4 duly adopted by the Board on November 25, 2013, authorizing, among other things, the issuance, in one or more series, of not to exceed \$47,210,000 aggregate principal amount of its Naples Reserve Community Development District Special Assessment Bonds, in order to pay all or a portion of the costs of the planning, financing, acquisition, construction, reconstruction, equipping and installation of the Project, as supplemented by that certain Resolution No. 2018-___ duly adopted by the Board on April 23, 2018, authorizing, among other things, the sale of the Series 2018 Bonds.

“Second Supplemental Indenture” shall mean this Second Supplemental Trust Indenture dated as of [_____, 2018] by and between the District and the Trustee, as supplemented or amended.

“Series 2018 Acquisition and Construction Account” shall mean the Account so designated, established as a separate Account within the Acquisition and Construction Fund pursuant to Section 4.01(a) of this Second Supplemental Indenture.

“Series 2018 Bond Redemption Fund” shall mean the Series 2018 Bond Redemption Fund established pursuant to Section 4.01(h) of this Second Supplemental Indenture.

“Series 2018 Capitalized Interest Account” shall mean the Account so designated, established as a separate Account within the Debt Service Fund pursuant to Section 4.01(f) of this Second Supplemental Indenture.

“Series 2018 Costs of Issuance Account” shall mean the Account so designated, established as a separate Subaccount within the Series 2018 Acquisition and Construction Account pursuant to Section 4.01(a) of this Second Supplemental Indenture.

“Series 2018 Debt Service Reserve Account” shall mean the Account so designated, established as a separate Account within the Debt Service Reserve Fund pursuant to Section 4.01(g) of this Second Supplemental Indenture.

“Series 2018 General Account” shall mean the Account so designated, established as a separate Account under the Series 2018 Bond Redemption Fund pursuant to Section 4.01(h) of this Second Supplemental Indenture.

“Series 2018 Interest Account” shall mean the Account so designated, established as a separate Account within the Debt Service Fund pursuant to Section 4.01(d) of this Second Supplemental Indenture.

“Series 2018 Pledged Revenues” shall mean with respect to the Series 2018 Bonds (a) all revenues received by the District from Special Assessments levied and collected on the District Lands benefited by the Series 2018 Project and expected to contain 591 residential units, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Special Assessments or from the issuance and sale of tax certificates with respect to such Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Indenture; provided, however, that Series 2018 Pledged Revenues shall not include (A) any moneys transferred to the Rebate Fund, or investment earnings thereon and (B) “special assessments” levied and collected by the District under Section 190.022 of the Act for maintenance purposes or “maintenance special assessments” levied and collected by the District under Section 190.021(3) of the Act (it being expressly understood that the lien and pledge of the Indenture shall not apply to any of the moneys described in the foregoing clauses (A) and (B) of this proviso).

“Series 2018 Prepayment Account” shall mean the Account so designated, established as a separate Account under the Series 2018 Bond Redemption Fund pursuant to Section 4.01(h) of this Second Supplemental Indenture.

“Series 2018 Prepayment Principal” shall mean the portion of a Prepayment corresponding to the principal amount of Series 2018 Special Assessments being prepaid.

“Series 2018 Project” shall mean such public infrastructure as described on Exhibit A attached hereto.

“Series 2018 Revenue Account” shall mean the Account so designated, established as a separate Account within the Revenue Fund pursuant to Section 4.01(b) of this Second Supplemental Indenture.

“Series 2018 Sinking Fund Account” shall mean the Account so designated, established as a separate Account within the Debt Service Fund pursuant to Section 4.01(e) of this Second Supplemental Indenture.

“Series 2018 Special Assessments” shall mean the Special Assessments levied on District Lands benefitted by the Series 2018 Project and expected to contain 591 residential units, corresponding in amount to the debt service on the Series 2018 Bonds.

“Special Assessments” shall mean the non-ad valorem special assessments levied by the District against developable acreage within the District Lands specially benefited by the Series 2018 Project or any portion thereof, pursuant to Section 190.022, Florida Statutes, as amended, and the Assessment Resolutions, and shall include the Series 2018 Special Assessments.

“Substantially Absorbed” shall mean the date on which a principal amount of the Series 2018 Special Assessments equaling at least ninety percent (90%) of the then Outstanding principal amount of the Series 2018 Bonds are levied on the District Lands that have been built, sold and closed to residential end users; provided that for purposes of this definition, an end user

shall mean any Person other than the Developer that is the owner of a built or vertically constructed residential unit.

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

The words “hereof,” “herein,” “hereto,” “hereby,” and “hereunder” (except in the forms of Series 2018 Bonds), refer to the entire Indenture.

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

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

ARTICLE II

THE SERIES 2018 BONDS

SECTION 2.01. Amounts and Terms of Series 2018 Bonds; Issue of Series 2018 Bonds. No Series 2018 Bonds may be issued under this Second Supplemental Indenture except in accordance with the provisions of this Article and Articles II and III of the Master Indenture.

(a) The total principal amount of Series 2018 Bonds that may be issued under this Second Supplemental Indenture is expressly limited to \$[NTE]. The Series 2018 Bonds shall be numbered consecutively from R-1 and upwards.

(b) Any and all Series 2018 Bonds shall be issued substantially in the form attached hereto as Exhibit B, with such appropriate variations, omissions and insertions as are permitted or required by the Indenture and with such additional changes as may be necessary or appropriate to conform to the provisions of the Resolution. The District shall issue the Series 2018 Bonds upon execution of this Second Supplemental Indenture and satisfaction of the requirements of Section 3.01 of the Master Indenture; and the Trustee shall, at the District's request, authenticate such Series 2018 Bonds and deliver them as specified in the request.

SECTION 2.02. Execution. The Series 2018 Bonds shall be executed by the District as set forth in the Master Indenture.

SECTION 2.03. Authentication. The Series 2018 Bonds shall be authenticated as set forth in the Master Indenture. No Series 2018 Bond shall be valid until the certificate of authentication shall have been duly executed by the Trustee, as provided in the Master Indenture.

SECTION 2.04. Purpose, Designation and Denominations of, and Interest Accruals on, the Series 2018 Bonds.

(a) The Series 2018 Bonds are being issued hereunder in order to provide funds to (i) pay the Costs of acquiring and constructing the Series 2018 Project, (ii) fund a deposit to the Series 2018 Debt Service Reserve Account, (iii) pay capitalized interest on the Series 2018 Bonds through [_____ 1, 201_], and (iv) pay the costs of issuance of the Series 2018 Bonds. The Series 2018 Bonds shall be designated “Naples Reserve Community Development District (Collier County, Florida) Special Assessment Bonds, Series 2018,” and shall be issued as fully registered bonds without coupons in Authorized Denominations.

(b) The Series 2018 Bonds shall be dated the date of original issuance thereof. Interest on the Series 2018 Bonds shall be payable on each Interest Payment Date to maturity or prior redemption. The Series 2018A Bonds shall be issued in Authorized Denominations. Interest on the Series 2018 Bonds shall be payable from the most recent Interest Payment Date next preceding the date of authentication thereof to which interest has been paid, unless the date of authentication thereof is a May 1 or November 1 to which interest has been paid, in which case from such date of authentication, or unless the date of authentication thereof is prior to November 1, 2018, in which case from the date of original issuance of the Series 2018 Bonds, or unless the date of authentication thereof is between a Record Date and the next succeeding Interest Payment Date, in which case from such Interest Payment Date.

(c) Except as otherwise provided in Section 2.11 of the Master Indenture in connection with a book entry only system of registration of the Series 2018 Bonds, the principal or Redemption Price of the Series 2018 Bonds shall be payable in lawful money of the United States of America at the designated corporate trust office of the Paying Agent upon presentation of such Series 2018 Bonds. Except as otherwise provided in Section 2.11 of the Master Indenture in connection with a book entry only system of registration of the Series 2018 Bonds, the payment of interest on the Series 2018 Bonds shall be made on each Interest Payment Date to the Owners of the Series 2018 Bonds by check or draft drawn on the Paying Agent and mailed on the applicable Interest Payment Date to each Owner as such Owner appears on the Bond Register maintained by the Registrar as of the close of business on the Regular Record Date, at his address as it appears on the Bond Register. Any interest on any Series 2018 Bond which is payable, but is not punctually paid or provided for on any Interest Payment Date (hereinafter called “Defaulted Interest”) shall be paid to the Owner in whose name the Series 2018 Bond is registered at the close of business on a Special Record Date to be fixed by the Trustee, such date to be not more than fifteen (15) nor less than ten (10) days prior to the date of proposed payment. The Trustee shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class, postage-prepaid, to each Owner of record as of the fifth (5th) day prior to such mailing, at his address as it appears in the Bond Register not less than ten (10) days prior to such Special Record Date. The foregoing notwithstanding, any Owner of Series 2018 Bonds in an aggregate principal amount of at least \$1,000,000 shall be entitled to have interest paid by wire transfer to such Owner to the bank account number on file with the Paying Agent, upon requesting the same in a writing received by the Paying Agent at least fifteen (15) days prior to the relevant Interest Payment Date, which writing shall specify the bank, which shall be a bank within the continental United States, and bank account number to which interest payments are to be wired. Any such request for interest payments by wire transfer shall remain in effect until rescinded or changed, in a writing delivered by the Owner to the Paying Agent, and any such rescission or change of wire transfer instructions must be received by the Paying Agent at least fifteen (15) days prior to the relevant Interest Payment Date.

SECTION 2.05. Debt Service on the Series 2018 Bonds.

(a) The Series 2018 Bonds will mature on November 1 in the years, be issued in the principal amounts and bear interest at the rates per annum, subject to the right of prior redemption in accordance with their terms, as follows.

<u>Maturity Date</u> <u>(November 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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(b) Interest on the Series 2018 Bonds will be computed in all cases on the basis of a 360-day year comprised of twelve 30 day months. Interest on overdue principal and, to the extent lawful, on overdue interest will be payable at the numerical rate of interest borne by the Series 2018 Bonds on the day before the default occurred.

SECTION 2.06. Disposition of Series 2018 Bond Proceeds. The Trustee shall receive \$[] as proceeds of the Series 2018 Bonds (the “Series 2018 Bond Proceeds”), representing the par amount of \$[PAR], less original issue discount of \$[], and less the underwriting discount of \$[], which shall be retained by the FMSbonds, Inc., as underwriter. The Trustee shall apply the Series 2018 Bond Proceeds as follows:

(a) \$[] deposited into the Series 2018 Capitalized Interest Account and applied to the payment for the payment of capitalized interest on the Series 2018 Bonds through at least [] 1, 2018];

(b) \$[] deposited in the Series 2018 Debt Service Reserve Account of the Debt Service Reserve Fund to make the amount on deposit therein equal to the Debt Service Reserve Requirement for the Series 2018 Bonds;

(c) \$[] deposited into the Series 2018 Costs of Issuance Account of the Acquisition and Construction Fund and applied to pay costs of issuance of the Series 2018 Bonds; and

(d) \$[] constituting all remaining proceeds of the Series 2018 Bonds, deposited in the Series 2018 Acquisition and Construction Account of the Acquisition and Construction Fund to be applied to pay Costs of the Series 2018 Project in accordance with Article V of the Master Indenture.

SECTION 2.07. Book-Entry Form of Series 2018 Bonds. The Series 2018 Bonds shall be issued as one fully registered bond per maturity of each series and deposited with The Depository Trust Company, New York, New York (“DTC”), which is responsible for establishing and maintaining records of ownership for its participants.

The District and the Trustee shall enter into a letter of representations with DTC providing for such book-entry-only system, in accordance with the provisions of Section 2.11 of the Master Indenture. Such agreement may be terminated at any time by either DTC or the

District. In the event of such termination, the District shall select another securities depository. If the District does not replace DTC, the Trustee will, at the expense of the District, register and deliver to the Beneficial Owners replacement Series 2018 Bonds in the form of fully registered Series 2018 Bonds in accordance with the instructions from Cede & Co.

SECTION 2.08. Appointment of Registrar and Paying Agent. The District shall keep, at the designated corporate trust office of the Registrar, books (the “Bond Register”) for the registration, transfer and exchange of the Series 2018 Bonds, and hereby appoints U.S. Bank National Association, as its Registrar to keep such books and make such registrations, transfers, and exchanges as required hereby. U.S. Bank National Association hereby accepts its appointment as Registrar and its duties and responsibilities as Registrar hereunder. Registrations, transfers and exchanges shall be without charge to the Bondholder requesting such registration, transfer or exchange, but such Bondholder shall pay any taxes or other governmental charges on all registrations, transfers and exchanges.

The District hereby appoints U.S. Bank National Association as Paying Agent for the Series 2018 Bonds. U.S. Bank National Association accepts its appointment as Paying Agent and its duties and responsibilities as Paying Agent hereunder.

SECTION 2.09. Conditions Precedent to the Issuance of the Series 2018 Bonds.

(a) In addition to complying with the requirements set forth in the Master Indenture in connection with the issuance of the Series 2018 Bonds, all the Series 2018 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:

- (i) Certified copies of the Assessment Resolutions;
- (ii) Executed originals of the Master Indenture and this Second Supplemental Indenture;

(iii) 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 purchase the Series 2018 Project being financed with the proceeds of the Series 2018 Bonds, subject to obtaining such licenses, orders or other authorizations as are, at the date of such opinion, required to be obtained from any agency or regulatory body having lawful jurisdiction in order to own and operate the Series 2018 Project, (iii) all proceedings undertaken by the District with respect to the Series 2018 Special Assessments have been in accordance with Florida law, (iv) the District has taken all action necessary to levy and impose the Series 2018 Special Assessments, and (v) the Series 2018 Special Assessments are legal, valid and binding liens upon the property against which such Series 2018 Special Assessments are made, coequal with the lien of all state, county, district and municipal taxes, superior in dignity to all other liens, titles and claims, until paid; and

(iv) A certificate of an Authorized Officer to the effect that, upon the authentication and delivery of the Series 2018 Bonds, the District will not be in default in

the performance of the terms and provisions of the Master Indenture or this Second Supplemental Indenture.

(v) Copies of executed investor letters in the form attached hereto as Exhibit D if such investor letter is required, as determined by the Underwriter; and

[(vi) Copies of the Collateral Assignment, Acquisition Agreement and Completion Agreement.]

(b) Notwithstanding anything to the contrary in the Indenture, the provisions of Section 3.01(12) of the Master Indenture shall not apply to the Series 2018 Bonds.

Payment to the Trustee of the Series 2018 Bond Proceeds for the issuance of the Series 2018 Bonds shall be conclusive evidence of the satisfaction of the foregoing conditions precedent upon which the Trustee may conclusively rely.

ARTICLE III

REDEMPTION OF SERIES 2018 BONDS

SECTION 3.01. Redemption Dates and Prices. The Series 2018 Bonds shall be subject to redemption at the times and in the manner provided in Article VIII of the Master Indenture and in this Article III. All payments of the Redemption Price of the Series 2018 Bonds shall be made on the dates hereinafter required. If less than all the Series 2018 Bonds are to be redeemed pursuant to an optional redemption or an extraordinary mandatory redemption, the portions of the Series 2018 Bonds to be redeemed shall be selected as provided in Section 8.04 of the Master Indenture. Partial redemptions of Series 2018 Bonds shall be made in such a manner that the remaining Series 2018 Bonds held by each Bondholder shall be in Authorized Denominations.

The Series 2018 Bonds are subject to redemption prior to maturity in the amounts, at the times and in the manner provided below. All payments of the Redemption Price of the Series 2018 Bonds shall be made on the dates specified below. Upon any redemption of Series 2018 Bonds other than in accordance with scheduled mandatory sinking fund redemptions, the District shall cause to be recalculated and delivered to the Trustee revised mandatory sinking fund redemption amounts recalculated so as to amortize the Outstanding principal amount of Series 2018 Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Series 2018 Bonds. The mandatory sinking fund redemption amounts as so recalculated shall not result in an increase in the aggregate of the mandatory sinking fund redemption amounts for all Series 2018 Bonds in any year. In the event of a redemption or purchase occurring less than 45 days prior to a date on which a mandatory sinking fund redemption payment is due, the foregoing recalculation shall not be made to the mandatory sinking fund redemption amounts due in the year in which such redemption occurs, but shall be made to the mandatory sinking fund redemption amounts for the immediately succeeding and subsequent years.

(a) Optional Redemption. The Series 2018 Bonds may, at the option of the District, be called for redemption prior to maturity in whole or in part at any time on or after May 1, 2028

(less than all Series 2018 Bonds to be selected by lot), at a Redemption Price equal to 100% of the principal amount of Series 2018 Bonds to be redeemed plus accrued interest from the most recent Interest Payment Date to the redemption date from moneys on deposit in the Series 2018 Prepayment Account.

(b) Extraordinary Mandatory Redemption in Whole or in Part. The Series 2018 Bonds are subject to extraordinary mandatory redemption prior to maturity by the District in whole or in part, on any date (other than in the case of clause (i) below, which extraordinary mandatory redemption in part must occur on an Interest Payment Date), at a Redemption Price equal to 100% of the principal amount of the Series 2018 Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

(i) from Series 2018 Prepayment Principal deposited into the Series 2018 Prepayment Account of the Series 2018 Bond Redemption Fund following the payment in whole or in part of Series 2018 Special Assessments on any assessable property within District Lands in accordance with the provisions of Section 4.05(a) of this Second Supplemental Indenture, together with excess moneys transferred by the Trustee from the Series 2018 Reserve Account to the Series 2018 Prepayment Subaccount as result of such prepayment and pursuant to Sections 4.01(g) and 4.05(a) of this Second Supplemental Indenture. If such redemption shall be in part, the District shall select such principal amount of Series 2018 Bonds to be redeemed from each maturity so that debt service on the remaining Outstanding Series 2018 Bonds is substantially level;

(ii) from moneys, if any, on deposit in the Series 2018 Funds, Accounts and Subaccounts in the Funds and Accounts (other than the Series 2018 Rebate Fund and the Series 2018 Acquisition and Construction Account) sufficient to pay and redeem all Outstanding Series 2018 Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the Master Indenture; and

(iii) Upon the Completion Date, from any funds remaining on deposit in the Series 2018 Acquisition and Construction Account not otherwise reserved to complete the Series 2018 Project and transferred to the Series 2018 General Account.

(c) Mandatory Sinking Fund Redemption. The Series 2018 Bonds maturing on November 1, 20__ are subject to mandatory sinking fund redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2018 Sinking Fund Account established under the Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on November 1 of the years and in the principal amounts set forth below:

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

The Series 2018 Bonds maturing on November 1, ____ are subject to mandatory sinking fund redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2018 Sinking Fund Account established under the Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on November 1 of the years and in the principal amounts set forth below:

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

The Series 2018 Bonds maturing on November 1, 20____ are subject to mandatory sinking fund redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2018 Sinking Fund Account established under the Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on November 1 of the years and in the principal amounts set forth below:

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

SECTION 3.02. Notice of Redemption. When required to redeem Series 2018 Bonds under any provision of this Second Supplemental Indenture or directed to redeem Series 2018 Bonds by the District, the Trustee shall give or cause to be given to Owners of the Series 2018 Bonds to be redeemed notice of the redemption, as set forth in Section 8.02 of the Master Indenture.

ARTICLE IV

ESTABLISHMENT OF CERTAIN FUNDS AND ACCOUNTS; PREPAYMENTS; REMOVAL OF SPECIAL ASSESSMENT LIENS

SECTION 4.01. Establishment of Certain Funds and Accounts.

(a) The Trustee shall establish a separate account within the Acquisition and Construction Fund designated as the “Series 2018 Acquisition and Construction Account.” Proceeds of the Series 2018 Bonds shall be deposited into the Series 2018 Acquisition and Construction Account in the amount set forth in Section 2.06(d) of this Second Supplemental Indenture, together with any moneys transferred to the Series 2018 Acquisition and Construction Account, and such moneys in the Series 2018 Acquisition and Construction Account shall be applied as set forth in Section 5.01 of the Master Indenture. Any moneys remaining in the Series 2018 Acquisition and Construction Account on the Completion Date, as evidenced in writing from the District or from the District Manager, on behalf of the District to the Trustee, shall be transferred to the Series 2018 General Account. Upon presentment to the Trustee of a properly signed requisition in substantially the form attached hereto as Exhibit C, the Trustee shall withdraw moneys from the Series 2018 Acquisition and Construction Account. Pursuant to the Master Indenture, the Trustee shall establish a separate account within the Acquisition and Construction Fund designated as the “Series 2018 Costs of Issuance Account.” Proceeds of the Series 2018 Bonds shall be deposited into the Series 2018 Costs of Issuance Account in the amount set forth in Section 2.06(c) of this Second Supplemental Indenture. Upon presentment to the Trustee of a properly signed requisition in substantially the form attached hereto as Exhibit C, the Trustee shall withdraw moneys from the Series 2018 Costs of Issuance Account to pay the costs of issuing the Series 2018 Bonds. Six months after the issuance of the Series 2018 Bonds, any moneys remaining in the Series 2018 Costs of Issuance Account in excess of the actual costs of issuing the Series 2018 Bonds requested to be disbursed by the District shall be deposited into the Series 2018 Interest Account. Any deficiency in the amount allocated to pay the cost of issuing the Series 2018 Bonds shall be paid from excess Series 2018 Pledged Revenues on deposit in the Series 2018 Revenue Account.

(b) Pursuant to Section 6.03 of the Master Indenture, the Trustee shall establish a separate Account within the Revenue Fund designated as the “Series 2018 Revenue Account.” Series 2018 Special Assessments (except for Prepayments of Series 2018 Special Assessments which shall be identified as such by the District to the Trustee and deposited in the Series 2018 Prepayment Account) shall be deposited by the Trustee into the Series 2018 Revenue Account which shall be applied as set forth in Section 6.03 of the Master Indenture and Section 4.02 of this Second Supplemental Indenture.

(c) [RESERVED]

(d) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish a separate Account within the Debt Service Fund designated as the “Series 2018 Interest Account.” Moneys deposited into the Series 2018 Interest Account pursuant to Section 6.04 of the Master Indenture and Section 4.02 of this Second Supplemental Indenture, and shall be applied for the purposes provided therein and used to pay interest on the Series 2018 Bonds.

(e) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish a separate account within the Debt Service Fund designated as the “Series 2018 Sinking Fund Account.” Moneys shall be deposited into the Series 2018 Sinking Fund Account as provided in Section 6.04 of the Master Indenture and applied for the purposes provided therein and in Section 4.02 of this Second Supplemental Indenture.

(f) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish a separate account within the Debt Service Fund designated as the “Series 2018 Capitalized

Interest Account.” Moneys shall be deposited into the Series 2018 Capitalized Interest Account as provided in Section 6.04 of the Master Indenture and applied for the purposes provided therein and in Section 4.02 of this Second Supplemental Indenture.

(g) Pursuant to Section 6.05 of the Master Indenture, the Trustee shall establish a separate Account within the Reserve Fund designated as the “Series 2018 Debt Service Reserve Account.” Proceeds of the Series 2018 Bonds shall be deposited into the Series 2018 Debt Service Reserve Account in the amount set forth in Section 2.06(b) of this Second Supplemental Indenture, and such moneys, together with any other moneys deposited into the Series 2018 Debt Service Reserve Account shall be applied for the purposes provided therein and in this Section 4.01(g) of this Second Supplemental Indenture.

On each March 15 and September 15 (or, if such date is not a Business Day, on the Business Day next preceding such day), the Trustee shall determine the amount on deposit in the Series 2018 Debt Service Reserve Account and transfer any excess therein above the Debt Service Reserve Requirement for the Series 2018 Bonds that is caused by investment earnings to the Series 2018 Revenue Account in accordance with 4.02 hereof.

In the event of a prepayment of Series 2018 Special Assessments in accordance with Section 4.05(a) of this Second Supplemental Indenture, 45 days before the next Interest Payment Date, the Trustee shall recalculate the Series 2018 Reserve Requirement taking into account the amount of Series 2018 Bonds that will be outstanding as result of such prepayment of Series 2018 Special Assessments, and cause the amount on deposit in the Series 2018 Reserve Account in excess of the Series 2018 Reserve Requirement to be transferred to the Series 2018 Prepayment Subaccount to be applied toward the extraordinary redemption of Series 2018 Bonds in accordance with Section 3.01(b)(i). The amount so transferred will be treated by the District as a credit against the Series 2018 Prepayment Principal otherwise required to be made by the owner of such property subject to Series 2018 Special Assessments.

Notwithstanding any of the foregoing, amounts on deposit in the Series 2018 Debt Service Reserve Account shall be transferred by the Trustee, in the amounts directed in writing by a majority of the Holders of the Series 2018 Bonds to the Series 2018 General Account, if as a result of the application of Article X of the Master Indenture, the proceeds received from lands sold subject to the Series 2018 Special Assessments and applied to redeem a portion of the Series 2018 Bonds is less than the principal amount of Series 2018 Bonds indebtedness attributable to such lands.

(h) Pursuant to Section 6.06 of the Master Indenture, the Trustee shall establish a separate account within the Series 2018 Bond Redemption Fund designated as the “Series 2018 Prepayment Account”, and a separate account within the Series 2018 Bond Redemption Fund designated as the “Series 2018 General Account”. Except as otherwise provided in this Second Supplemental Indenture regarding Prepayments or in connection with the optional redemption of the Series 2018 Bonds, moneys to be deposited into the Series 2018 Prepayment Account as provided in Section 6.06 of the Master Indenture, shall be deposited to the Series 2018 General Account.

(i) Moneys that are deposited into the Series 2018 General Account (including all earnings on investments held therein) shall be used to call for the extraordinary mandatory

redemption in whole, pursuant to Section 3.01(b)(ii) hereof, the Outstanding amount of Series 2018 Bonds.

(j) Moneys in the Series 2018 Prepayment Account (including all earnings on investments) shall be accumulated therein to be used to call for redemption pursuant to Section 3.01 hereof an amount of Series 2018 Bonds equal to the amount of money transferred to the Series 2018 Prepayment Account for the purpose of such extraordinary mandatory redemption on the dates and at the price provided in such Section 3.01(b) hereof.

(k) The District hereby directs the Trustee to establish a Series 2018 Rebate Fund designated as the "Series 2018 Rebate Fund." Moneys shall be deposited into the Series 2018 Rebate Fund, as provided in the Arbitrage Certificate and applied for the purposes provided therein.

(l) Moneys on deposit in the Series 2018 Prepayment Account, other than from Prepayments, shall be used, at the option of the District, to optionally redeem all or a portion of the Series 2018 Bonds pursuant to Section 3.01(a) hereof.

SECTION 4.02. Series 2018 Revenue Account. The Trustee shall transfer from amounts on deposit in the Series 2018 Revenue Account to the Funds and Accounts designated below, the following amounts, at the following times and in the following order of priority:

FIRST, upon receipt but no later than the Business Day next preceding each Interest Payment Date, commencing [____] 1, 20__, to the Series 2018 Interest Account, an amount from the Series 2018 Revenue Account equal to the interest on the Series 2018 Bonds becoming due on the next succeeding Interest Payment Date, less any amount on deposit in the Series 2018 Interest Account not previously credited; provided, however the Trustee shall first use the amounts on deposit in the Series 2018 Capitalized Interest Account to pay interest on each Interest Payment Date, before transferring any funds from the Series 2018 Revenue Account to the Series 2018 Interest Account for the purpose set forth in this FIRST paragraph

SECOND, no later than the Business Day next preceding each November 1, commencing November 1, 20__, to the Series 2018 Sinking Fund Account, an amount from the Series 2018 Revenue Account equal to the principal amount of Series 2018 Bonds subject to sinking fund redemption on such November 1, less any amount on deposit in the Series 2018 Sinking Fund Account not previously credited;

THIRD, upon receipt but no later than the Business Day next preceding each Interest Payment Date while Series 2018 Bonds remain Outstanding, to the Series 2018 Reserve Account, an amount from the Series 2018 Revenue Account equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Debt Service Reserve Requirement for the Series 2018 Bonds; and

FOURTH, notwithstanding the foregoing, at any time the Series 2018 Bonds are subject to redemption on a date which is not a May 1 or November 1 Interest Payment Date, the Trustee shall be authorized to transfer from the Series 2018 Revenue Account to the Series 2018 Interest Account, the amount necessary to pay interest on the Series 2018 Bonds subject to redemption on such date; and

FIFTH, subject to the foregoing paragraphs, the balance of any moneys remaining after making the foregoing deposits shall be first deposited into the Series 2018 Costs of Issuance Account to cover any deficiencies in the amount allocated to pay the cost of issuing the Series 2018 Bonds and next, any balance in the Series 2018 Revenue Account shall remain on deposit in such Series 2018 Revenue Account, unless pursuant to the Arbitrage Certificate, it is necessary to make a deposit into the Series 2018 Rebate Fund, in which case, the District shall direct the Trustee to make such deposit thereto.

SECTION 4.03. Power to Issue Series 2018 Bonds and Create Lien. The District is duly authorized under the Act and all applicable laws of the State to issue the Series 2018 Bonds, to execute and deliver the Indenture and to pledge the Series 2018 Pledged Revenues for the benefit of the Series 2018 Bonds to the extent set forth herein. The Series 2018 Pledged Revenues are not and shall not be subject to any other lien senior to or on a parity with the lien created in favor of the Series 2018 Bonds, except as otherwise permitted under the Master Indenture. The Series 2018 Bonds and the provisions of the Indenture are and will be valid and legally enforceable obligations of the District in accordance with their respective terms. The District shall, at all times, to the extent permitted by law, defend, preserve and protect the pledge created by the Indenture and all the rights of the Owners of the Series 2018 Bonds under the Indenture against all claims and demands of all persons whomsoever.

SECTION 4.04. Project to Conform to Plans and Specifications; Changes. The District will promptly proceed to acquire, construct and complete the Series 2018 Project, as described in Exhibit A and in the Engineer's Report.

SECTION 4.05. Prepayments; Removal of Special Assessment Liens.

(a) At any time any owner of property subject to the Special Assessments may, at its option, or under certain circumstances described in the Assessment Resolutions in connection with Prepayments derived from application of the "true-up" mechanism therein, shall, require the District to reduce or release and extinguish the lien upon its property by virtue of the levy of the Special Assessments by paying to the District all or a portion of the Special Assessment, which shall constitute Series 2018 Prepayment Principal, as directed in writing by the District pursuant to the provisions of Section 4.01 of this Second Supplemental Indenture, plus accrued interest to the next succeeding Interest Payment Date (or the second succeeding Interest Payment Date if such prepayment is made within 45 calendar days before an Interest Payment Date), attributable to the property subject to Special Assessment owned by such owner; provided, however, to the extent that such payments are to be used to redeem Series 2018 Bonds in the event the amount in the Series 2018 Debt Service Reserve Account will exceed the Debt Service Reserve Requirement for the Series 2018 Bonds as a result of a Prepayment in accordance with this Section 4.05(a) and the resulting redemption in accordance with Section 3.01(b)(i) of this Second Supplemental Indenture of Series 2018 Bonds, the excess amount shall be transferred from the Series 2018 Debt Service Reserve Account to the Series 2018 Prepayment Account of the Series 2018 Bond Redemption Fund, as a credit against the Series 2018 Prepayment Principal otherwise required to be paid by the owner of such lot or parcel, upon written instructions of the District together with a certificate of a Responsible Officer of the District stating that, after giving effect to such transfers sufficient moneys will be on deposit in the Series 2018 Debt Service Reserve Account to equal or exceed the Debt Service Reserve Requirement for the Series 2018 Bonds

(b) Upon receipt of Series 2018 Prepayment Principal as described in paragraph (a) above, subject to satisfaction of the conditions set forth therein, the District shall immediately pay the amount so received to the Trustee and clearly identify such amounts as Series 2018 Prepayment Principal, and the District shall take such action as is necessary to record in the official records of the County an affidavit or affidavits, as the case may be, executed by the District Manager, to the effect that the Special Assessment has been paid in whole or in part and that such Special Assessment lien is thereby reduced, or released and extinguished, as the case may be. Upon receipt of any such moneys from the District the Trustee shall immediately deposit the same into the Series 2018 Prepayment Account of the Series 2018 Bond Redemption Fund to be applied in accordance with Section 4.01 of this Second Supplemental Indenture, to the redemption of Series 2018 Bonds in accordance with Section 3.01(b)(i) of this Second Supplemental Indenture.

ARTICLE V

ADDITIONAL COVENANTS OF THE DISTRICT

SECTION 5.01. Collection of Special Assessments. Commencing in the District's Fiscal Year beginning October 1, 2018, pursuant to Section 9.04 of the Master Trust Indenture and subject to the District entering into a Property Appraiser and Tax Collector Agreement, Special Assessments levied on platted lots and pledged hereunder to secure the Series 2018 Bonds will be collected pursuant to the Uniform Method.

Notwithstanding the immediately preceding paragraph or any other provision in the Indenture to the contrary, upon the occurrence of an Event of Default, if the Trustee, acting at the direction of the Majority Owners, requests that the District not use the Uniform Method, but instead collect and enforce Series 2018 Special Assessments pursuant to another available method under the Act, Chapter 170, Florida Statutes, or Chapter 197, Florida Statutes, or any successor statutes thereto, then the District shall collect and enforce said Series 2018 Special Assessments in the manner and pursuant to the method so requested by the Trustee.

Any Series 2018 Special Assessments that are not collected pursuant to the Uniform Method shall be billed directly to the applicable landowner and be payable not later than thirty (30) days prior to each Interest Payment Date.

SECTION 5.02. Additional Covenant Regarding Special Assessments. In addition to, and not in limitation of, the covenants contained elsewhere in the Indenture, the District covenants to comply with the terms of the proceedings heretofore adopted with respect to the Series 2018 Special Assessments, including the Assessment Resolution and the Assessment Methodology, and to levy the Series 2018 Special Assessments and any required true-up payments set forth in the Assessment Methodology, in such manner as will generate funds sufficient to pay the principal of and interest on the Series 2018 Bonds, when due. The Assessment Methodology shall not be amended without written consent of the Majority Owners.

SECTION 5.03. Investment of Funds and Accounts. The provisions of Section 7.02 of the Master Indenture shall apply to the investment and reinvestment of moneys in the Series 2018 Accounts and subaccounts therein created hereunder.

SECTION 5.04. Foreclosure of Assessment Lien. Notwithstanding Section 9.06 of the Master Indenture or any other provision of the Indenture to the contrary, the following provisions shall apply with respect to the Series 2018 Special Assessments and Series 2018 Bonds.

If any property shall be offered for sale for the nonpayment of any Series 2018 Special Assessment and no person or persons shall purchase such property for an amount equal to the full amount due on the Series 2018 Special Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), the property may then be purchased by the District for an amount equal to the balance due on the Series 2018 Special Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), from any legally available funds of the District and the District shall receive in its corporate name or in the name of a special purpose entity title to the property for the benefit of the Owners of the Series 2018 Bonds; provided that the Trustee shall have the right, acting at the written direction of the Majority Owners, but shall not be obligated, to direct the District with respect to any action taken pursuant to this Section. The District, either through its own actions, or actions caused to be taken through the Trustee, shall have the power and shall lease or sell such property, and deposit all of the net proceeds of any such lease or sale into the Series 2018 Revenue Account. The District, either through its own actions, or actions caused to be taken through the Trustee, agrees that it shall be required to take the measures provided by law for sale of property acquired by it as trustee for the Owners of the Series 2018 Bonds within sixty (60) days after the receipt of the request therefor signed by the Trustee or the Majority Owners.

SECTION 5.05. No Parity Bonds; Limitation on Parity Liens. The District covenants not to issue any other Bonds or other debt obligations secured by Series 2018 Special Assessments levied against the assessable lands within the District to finance any capital Project. Such covenant shall not prohibit the District from issuing refunding Bonds. In addition, except as provided below, the District covenants not to issue any Bonds or other debt obligations for other capital Projects located in the District until the Series 2018 Special Assessments are Substantially Absorbed. The District shall present the Trustee with a certification that the Series 2018 Special Assessments are Substantially Absorbed, and the Trustee may rely conclusively upon such certification and shall have no duty to verify if the Series 2018 Special Assessments are Substantially Absorbed. In the absence of such written certification, the Trustee is entitled to assume that the relevant assessments have not been Substantially Absorbed. Nothing herein shall restrict the District from issuing additional bonds or other debt obligations (i) for District lands outside of the District lands subject to the Series 2018 Special Assessments, provided that such additional bonds or other debt obligations are not secured by Special Assessments on lands subject to the Series 2018 Special Assessments or (ii) to finance any other capital project that is necessary to remediate any natural disaster, catastrophic damage or failure with respect to the Series 2018 Project.

SECTION 5.06. Requisite Owners for Direction or Consent. Anything in the Master Indenture to the contrary notwithstanding, any direction or consent or similar provision which requires the Owners of at least a majority in principal amount of the Bonds Outstanding, shall in each case be deemed to refer to, and shall mean, the Majority Holders.

SECTION 5.07. Acknowledgement Regarding Series 2018 Acquisition and Construction Account Moneys and Series 2018 Pledged Revenues Following an Event of Default. In accordance with the provisions of the Indenture, upon the occurrence of an Event of

Default with respect to the Series 2018 Bonds, the Series 2018 Bonds are payable solely from the Series 2018 Pledged Revenues and any other moneys held by the Trustee under the Indenture for such purpose. Anything in the Indenture to the contrary notwithstanding, the District hereby acknowledges that, upon the occurrence of an Event of Default with respect to the Series 2018 Bonds, (i) the Series 2018 Pledged Revenues includes, without limitation, all amounts on deposit in the Series 2018 Acquisition and Construction Account of the Acquisition and Construction Fund then held by the Trustee, (ii) the Series 2018 Pledged Revenues may not be used by the District (whether to pay costs of the Project or otherwise) without the consent of the Majority Owners and (iii) the Series 2018 Pledged Revenues may be used by the Trustee, at the direction or with the approval of the Majority Owners, to pay costs and expenses incurred in connection with the pursuit of remedies under the Indenture.

SECTION 5.08. Assignment of Issuer's Rights under Collateral Assignment. The District hereby assigns its rights under the Collateral Assignment to the Trustee for the benefit of the Owners, from time to time, of the Series 2018 Bonds and any other Bonds issued under the Master Indenture. The Trustee shall not be deemed to have accepted any obligation under the Collateral Assignment by virtue of such assignment.

ARTICLE VI

MISCELLANEOUS PROVISIONS

SECTION 6.01. Interpretation of Supplemental Indenture. This Second Supplemental Indenture amends and supplements the Master Indenture with respect to the Series 2018 Bonds, and all of the provisions of the Master Indenture, to the extent not inconsistent herewith, are incorporated in this Second Supplemental Indenture by reference. To the maximum extent possible, the Master Indenture and the Supplemental Indenture shall be read and construed as one document.

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

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

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

SECTION 6.05. Payment Dates. In any case in which an Interest Payment Date or the maturity date of the Series 2018 Bonds or the date fixed for the redemption of any Series 2018 Bonds shall be other than a Business Day, then payment of interest, principal or Redemption Price need not be made on such date but may be made on the next succeeding Business Day, with the same force and effect as if made on the due date, and no interest on such payment shall accrue for the period after such due date if payment is made on such next succeeding Business Day.

SECTION 6.06. No Rights Conferred on Others. Nothing herein contained shall confer any right upon any Person other than the parties hereto and the Holders of the Series 2018 Bonds and no other person is intended to be a beneficiary hereunder.

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

SECTION 6.08. Brokerage Requirements. The 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.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

SEAL

**NAPLES RESERVE COMMUNITY
DEVELOPMENT DISTRICT**

By: _____
Donald Mears
Chair, Board of Supervisors

By: _____
Craig A. Wrathell
Secretary, Board of Supervisors

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
[]
Vice President

EXHIBIT A

DESCRIPTION OF SERIES 2018 PROJECT

The Series 2018 Project includes, but is not limited to, the following improvements:

That portion of the Capital Improvement Program identified in the Engineer's Report that will serve the 591 residential units comprising the second phase of the Development and related incidental costs.

PROBABLE COSTS OF CONSTRUCTION NAPLES RESERVE COMMUNITY DEVELOPMENT DISTRICT SPECIAL ASSESSMENT BONDS, SERIES 2018

<u>Infrastructure</u>	<u>Probable Costs</u> ⁽¹⁾	2018 Project Costs Contributed by <u>Developer</u>	2018 Project Costs Financed with Series <u>2018 Bonds</u>
Utilities	\$1,476,300		
Earthwork & Cleaning	7,242,000		
Stormwater Management	<u>1,463,700</u>		
TOTAL:	\$10,182,000	\$4,757,146.88	\$5,424,853.12

⁽¹⁾ Estimates are based on 20__ costs.

Source: District Engineers Report for Naples Reserve Community Development District dated [March 21, 2018] by Hole Montes, Inc.

EXHIBIT B

FORM OF SERIES 2018 BOND

R-1

\$ _____

UNITED STATES OF AMERICA

STATE OF FLORIDA

NAPLES RESERVE COMMUNITY DEVELOPMENT DISTRICT

(Collier County, Florida)

Special Assessment Bonds, Series 2018

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
	November 1		

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: [_____] DOLLARS

KNOW ALL PERSONS BY THESE PRESENTS that Naples Reserve Community Development District (the "Issuer"), for value received, hereby promises to pay to the registered owner shown above or registered assigns, on the date specified above, from the sources hereinafter mentioned, upon presentation and surrender hereof (if the Bonds are not held in book-entry only) at the designated corporate trust office of U.S. Bank National Association, located in Fort Lauderdale, Florida, as paying agent (said bank and/or any bank or trust company to become successor paying agent being herein called the "Paying Agent"), the principal amount set forth above with interest thereon at the rate per annum set forth above, payable on the first day of May and November of each year, commencing [_____ 1, 2018]. Principal of this Bond is payable at the designated corporate trust office of U.S. Bank National Association located in Fort Lauderdale, Florida in lawful money of the United States of America. Except when registration of this Bond is being maintained pursuant to a book-entry only system, interest on this Bond is payable by check or draft of the Paying Agent made payable to the registered owner and mailed to the address of the registered owner as such name and address shall appear on the registry books of the District maintained by U.S. Bank National Association, as Registrar (said Registrar and any successor Registrar being herein called the "Registrar") at the close of business on the fifteenth day of the calendar month preceding each interest payment date or the date on which the principal of this Bond is to be paid (the "Record Date"). Such interest shall be payable from the most recent interest payment date next preceding the date of authentication hereof to which interest has been paid, unless the date of authentication hereof is a May 1 or November 1 to which interest has been paid, in which case from such date of authentication, or unless the date hereof is prior to [_____ 1, 2018], in which case from the dated date of this Bond specified above, or unless the date of authentication hereof is between a Record Date and the next succeeding interest payment date, in which case from such interest payment date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the

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

THE BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY OUT OF THE SERIES 2018 PLEDGED REVENUES PLEDGED THEREFOR UNDER THE INDENTURE AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE DISTRICT, COLLIER COUNTY, FLORIDA, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE BONDS, EXCEPT THAT THE DISTRICT IS OBLIGATED UNDER THE INDENTURE TO LEVY, AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, SPECIAL ASSESSMENTS (AS DEFINED IN THE INDENTURE) TO SECURE AND PAY THE BONDS. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT, COLLIER COUNTY, FLORIDA, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

This Bond is one of an authorized issue of Bonds of the Naples Reserve Community Development District, a community development district duly created, organized and existing under Chapter 190, Florida Statutes (the Uniform Community Development District Act of 1980), as amended (the "Act"), and Ordinance No 08-37 enacted by the Board of County Commissioners of Collier County, Florida on July 22, 2008, designated as "Naples Reserve Community Development District (Collier County, Florida) Special Assessment Bonds, Series 2018 (the "Series 2018 Bonds"), in the aggregate principal amount of \$[PAR] of like date, tenor and effect, except as to number. The Series 2018 Bonds are being issued under authority of the laws and Constitution of the State of Florida, including particularly the Act. Proceeds of the Series 2018 Bonds shall be used to (i) pay the Costs of acquiring and constructing the Series 2018 Project, (ii) fund the Series 2018 Debt Service Reserve Account, (iii) pay capitalized interest on the Series 2018 Bonds at least through [_____ 1, 2018], and (iv) pay the costs of issuance of the Series 2018 Bonds. The Series 2018 Bonds shall be issued as fully registered Bonds in authorized denominations, as set forth in the Indenture. The Series 2018 Bonds are issued under, and are secured and governed by, a Master Trust Indenture dated as of August 1, 2014 (the "Master Indenture"), by and between the District and the Trustee, as supplemented and

amended by a Second Supplemental Trust Indenture dated as of [_____, 2018] (the “Second Supplemental Indenture”), by and between the District and the Trustee (the Master Indenture and the Second Supplemental Indenture together are referred to herein as the “Indenture”), executed counterparts of which are on file at the designated corporate trust office of the Trustee in Fort Lauderdale, Florida.

Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of the Series 2018 Bonds issued under the Indenture, the operation and application of the Series 2018 Debt Service Reserve Account and other Funds and Accounts (each as defined in the Indenture) charged with and pledged to the payment of the principal of and interest on the Series 2018 Bonds, the levy, and the evidencing and certifying for collection, of Special Assessments, the nature and extent of the security for the Series 2018 Bonds, the terms and conditions on which the Series 2018 Bonds are issued and on which additional Bonds and refunding Bonds payable from Series 2018 Pledged Revenues may be issued on a parity herewith, the rights, duties and obligations of the District and of the Trustee under the Indenture, the conditions under which such Indenture may be amended without the consent of the registered owners of Bonds, the conditions under which such Indenture may be amended with the consent of the registered owners of a majority in aggregate principal amount of the Series 2018 Bonds outstanding, and as to other rights and remedies of the registered owners of the Series 2018 Bonds.

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

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

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

This Bond is payable from and secured by Series 2018 Pledged Revenues, as such term is defined in the Indenture, all in the manner provided in the Indenture. The Indenture provides for the levy, and the evidencing and certifying, of non-ad valorem assessments in the form of Special Assessments to secure and pay the Series 2018 Bonds.

The Series 2018 Bonds are subject to redemption prior to maturity in the amounts, at the times and in the manner provided below. All payments of the redemption price of the Series 2018 Bonds shall be made on the dates specified below. If less than all the Series 2018 Bonds are to be redeemed pursuant to an optional redemption or an extraordinary mandatory

redemption, the portions of the Series 2018 Bonds to be redeemed will be selected as provided in the Master Indenture. Partial redemption of Series 2018 Bonds shall be made in such a manner that the remaining Series 2018 Bonds held by each Bondholder shall be in Authorized Denominations.

Optional Redemption.

The Series 2018 Bonds may, at the option of the District, be called for redemption prior to maturity in whole or in part at any time on or after [_____] (less than all Series 2018 Bonds to be selected by lot), at a Redemption Price equal to 100% of the principal amount of Series 2018 Bonds to be redeemed plus accrued interest from the most recent Interest Payment Date to the redemption date from moneys on deposit in the Series 2018 Prepayment Account.

Extraordinary Mandatory Redemption in Whole or in Part.

The Series 2018 Bonds are subject to extraordinary mandatory redemption prior to maturity by the District in whole or in part, on any date, at a Redemption Price equal to 100% of the principal amount of the Series 2018 Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

(i) from Series 2018 Prepayment Principal deposited into the Series 2018 Prepayment Account of the Series 2018 Bond Redemption Fund following the payment in whole or in part of Series 2018 Special Assessments on any assessable property within District Lands in accordance with the provisions of Section 4.05(a) of the Second Supplemental Indenture, together with excess moneys transferred by the Trustee from the Series 2018 Reserve Account to the Series 2018 Prepayment Subaccount as result of such prepayment and pursuant to Sections 4.01(g) and 4.05(a) of the Second Supplemental Indenture. If such redemption shall be in part, the District shall select such principal amount of Series 2018 Bonds to be redeemed from each maturity so that debt service on the remaining Outstanding Series 2018 Bonds is substantially level;;

(ii) from moneys, if any, on deposit in the Series 2018 Funds, Accounts and Subaccounts in the Funds and Accounts (other than the Series 2018 Rebate Fund and the Series 2018 Acquisition and Construction Account) sufficient to pay and redeem all Outstanding Series 2018 Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the Master Indenture; and

(iii) Upon the Completion Date, from any funds remaining on deposit in the Series 2018 Acquisition and Construction Account not otherwise reserved to complete the Series 2018 Project and transferred to the Series 2018 General Account.

Mandatory Sinking Fund Redemption.

The Series 2018 Bonds maturing on November 1, _____ are subject to mandatory sinking fund redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2018 Sinking Fund Account established under the Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of 100% of the principal amount

thereof, without premium, together with accrued interest to the date of redemption on November 1 of the years and in the principal amounts set forth below:

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

The Series 2018 Bonds maturing on November 1, 20__ are subject to mandatory sinking fund redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2018 Sinking Fund Account established under the Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on November 1 of the years and in the principal amounts set forth below:

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

* Maturity.

The Series 2018 Bonds maturing on November 1, 20__ are subject to mandatory sinking fund redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2018 Sinking Fund Account established under the Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on November 1 of the years and in the principal amounts set forth below:

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

Notice of Redemption

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

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

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

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

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

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

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

[Remainder of Page Intentionally Left Blank]

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

[SEAL]

**NAPLES RESERVE COMMUNITY
DEVELOPMENT DISTRICT**

Secretary, Board of Supervisors

By: _____
Chairman, Board of Supervisors

CERTIFICATE OF AUTHENTICATION

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

Date of Authentication: _____, 2018

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Signatory

STATEMENT OF VALIDATION

This Bond is one of a series of Bonds which were validated by judgment of the Circuit Court of the Twentieth Judicial Circuit of Florida, in and for Collier County, Florida, rendered on the 9th day of April, 2014.

Chairman, Board of Supervisors

ABBREVIATIONS

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

TEN COM as tenants in common

TEN ENT as tenants by the entireties

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

UNIFORM GIFT MIN ACT - _____ Custodian

(Cust)

(Minor)

under Uniform Gifts to Minors Act

(State)

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

ASSIGNMENT AND TRANSFER

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

(please print or typewrite name and address of assignee)

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

Dated: _____

Signature Guarantee:

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

EXHIBIT C

FORMS OF REQUISITIONS

**NAPLES RESERVE COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BONDS, SERIES 2018**

(SERIES 2018 PROJECT)

(Acquisition and Construction)

The undersigned, a Responsible Officer of the Naples Reserve Community Development District (the "District") hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture from the District to U.S. Bank National Association, as successor trustee (the "Trustee"), dated as of August 1, 2014, as supplemented by that certain Second Supplemental Trust Indenture dated as of [_____, 2018] (collectively, the "Series 2018 Indenture") (all capitalized terms used herein shall have the meaning ascribed to such term in the Series 2018 Indenture):

- (A) Requisition Number:
- (B) [Identify Acquisition Agreement, if applicable;
- (C) Name of Payee pursuant to Acquisition Agreement:]
- (D) Amount Payable:
- (E) Purpose for which paid or incurred (refer also to specific contract if amount is due and payable pursuant to a contract involving progress payments):
- (F) Fund or Account and subaccount, if any, from which disbursement to be made:

Series 2018 Acquisition and Construction Account of the Acquisition and Construction Fund.

The undersigned hereby certifies that:

1. obligations in the stated amount set forth above have been incurred by the District,
2. each disbursement set forth above is a proper charge against the Series 2018 Acquisition and Construction Account;
3. each disbursement set forth above was incurred in connection with the Cost of the Series 2018 Project;

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

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

Attached hereto are originals of the invoice(s) from the vendor of the property acquired or the services rendered with respect to which disbursement is hereby requested.

**NAPLES RESERVE COMMUNITY
DEVELOPMENT DISTRICT**

By: _____
Responsible Officer

Date: _____

**CONSULTING ENGINEER'S APPROVAL FOR
NON-COST OF ISSUANCE OR [NON-OPERATING COSTS REQUESTS ONLY]**

The undersigned Consulting Engineer hereby certifies that this disbursement is for the Cost of the Series 2018 Project and is consistent with: (i) the [Acquisition Agreement]; and (ii) the report of the Consulting Engineer, as such report shall have been amended or modified.

Consulting Engineer

FORMS OF REQUISITIONS

NAPLES RESERVE COMMUNITY DEVELOPMENT DISTRICT SPECIAL ASSESSMENT BONDS, SERIES 2018

(SERIES 2018 PROJECT)

(Costs of Issuance)

The undersigned, a Responsible Officer of the Naples Reserve Community Development District (the "District") hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture from the District to U.S. Bank National Association, as successor trustee (the "Trustee"), dated as of August 1, 2014, as supplemented by that certain Second Supplemental Trust Indenture dated as of [_____, 2018] (collectively, the "Series 2018 Indenture") (all capitalized terms used herein shall have the meaning ascribed to such term in the Series 2018 Indenture):

- (A) Requisition Number:
- (B) Amount Payable:
- (C) Purpose for which paid or incurred: Costs of Issuance
- (D) Fund or Account and subaccount, if any, from which disbursement to be made:
Series 2018 Costs of Issuance Account of the Acquisition and Construction Fund

The undersigned hereby certifies that:

1. this requisition is for Costs of Issuance payable from the Series 2018 Costs of Issuance Account that have not previously been paid;
2. each disbursement set forth above is a proper charge against the Series 2018 Costs of Issuance Account;
3. each disbursement set forth above was incurred in connection with the issuance of the Series 2018 Bonds; and
4. each disbursement represents a cost of issuance which has not previously been paid.

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

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

Attached hereto are originals of the invoice(s) from the vendor of the services rendered with respect to which disbursement is hereby requested.

**NAPLES RESERVE COMMUNITY
DEVELOPMENT DISTRICT**

By: _____
Responsible Officer

Date: _____

EXHIBIT D

FORM OF INVESTOR LETTER

[Date]

Naples Reserve Community Development District
c/o Wrathell, Hunt & Associates, District Manager
6131 Lyons Road, Suite 100
Coconut Creek, FL 33073

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

U.S. Bank National Association
550 W. Cypress Creek Rd., Ste. # 380
Ft. Lauderdale, FL 33309

Re: \$[PAR] Naples Reserve Community Development District Special Assessment
 Bonds, Series 2018 (Series 2018 Project)

Ladies and Gentlemen:

The undersigned is authorized to sign this letter [on behalf of Name of Non-Individual Investor], as the beneficial owner (the “Investor”) of \$_____ of the above-referenced Bonds [state maturing on, bearing interest at the rate of ___% per annum and CUSIP #] (herein, the “Investor Bonds”).

The undersigned acknowledges that the Bonds were issued for the purpose of providing a portion of the funds necessary to finance the acquisition and construction of certain public infrastructure described in the herein defined Offering Document (the “Issuer”). The undersigned further acknowledges that the Bonds, which include the Investor Bonds, are secured under that certain Master Trust Indenture, dated as of August 1, 2014 (the “Master Indenture”) and a Second Supplemental Trust Indenture dated as of [_____, 2018] (“Second Supplement” and collectively with the Master Indenture, the “Indenture”), between the District and U.S. Bank National Association, as trustee (the “Trustee”), which creates a security interest in the trust estate described therein (the “Security”) for the benefit of the Owners of the Bonds.

In connection with the purchase of the Investor Bonds by the Investor, the Investor hereby makes the following representations upon which you may rely:

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

2. The Investor is an “accredited investor” as described in Rule 501(a)(1), (2), (3), (6) or (7) under Regulation D of the Securities Act of 1933, as amended (the “Securities Act”), and therefore, has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations including those which are not

rated or credit-enhanced, to be able to evaluate the risks and merits of the investment represented by the Bonds. Please check the appropriate box below to indicate the type of accredited investor:

a bank, insurance company, registered investment company, business development company, or small business investment company;

an employee benefit plan, within the meaning of the Employee Retirement Income Security Act, if a bank, insurance company, or registered investment adviser makes the investment decisions, or if the plan has total assets in excess of \$5 million;

a charitable organization, corporation, or partnership with assets exceeding \$5 million;

a natural person who has individual net worth, or joint net worth with the person's spouse, that exceeds \$1 million at the time of the purchase, excluding the value of the primary residence of such person;

a natural person with income exceeding \$200,000 in each of the two most recent years or joint income with a spouse exceeding \$300,000 for those years and a reasonable expectation of the same income level in the current year; or

3. The Investor Bonds are being acquired by the Investor for investment and not with a present view to, or for resale in connection with, any distribution of the Bonds.

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

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

6. The Investor has been supplied with an (electronic) copy of the Preliminary Limited Offering Memorandum dated [date] of the District and relating to the Bonds (the "Offering Document") and has reviewed the Offering Document and represents that such Offering Document has provided full and meaningful disclosure in order to make an informed decision to invest in the Investor Bonds.

Capitalized terms used herein and not otherwise defined have the meanings given to such terms in the Indenture.

Very truly yours,

[Name], [Type of Entity]

By: _____

Name: _____

Title: _____

Date: _____

Or

[Name], an Individual

EXHIBIT B

FORM OF BOND PURCHASE AGREEMENT

§ _____
NAPLES RESERVE COMMUNITY DEVELOPMENT DISTRICT
(COLLIER COUNTY, FLORIDA)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018

BOND PURCHASE AGREEMENT

_____, 2018

Board of Supervisors
Naples Reserve Community Development District
Collier County, Florida

Dear Ladies and Gentlemen:

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

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the District and the District hereby agrees to sell and deliver to the Underwriter, all (but not less than all) of its \$_____ aggregate principal amount of Naples Reserve Community Development Special Assessment Revenue Bonds, Series 2018 (the "Bonds"). The Bonds shall be dated their date of delivery and shall mature on the dates, shall bear interest at the rates, and shall be subject to redemption prior to maturity, all as provided in Exhibit B attached hereto. The purchase price for the Bonds shall be \$_____ (representing the principal amount of the Bonds, [plus/less net original issue premium/discount of \$_____ and] less an underwriter's discount of \$_____) (such payment and delivery and the other actions contemplated hereby to take place at the time of such payment and delivery being hereinafter referred to as the "Closing").

2. The Bonds. The Bonds are to be issued by the District, a local unit of special-purpose government of the State of Florida (the "State") 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"), by Ordinance No. 2013-38 enacted by the City effective on December 10, 2013 (the "Ordinance"). The Bonds are being issued pursuant to the Act and secured pursuant to the provisions of a Master Trust Indenture dated as of August 1, 2014 (the "Master Indenture"), as supplemented by a Second Supplemental Trust Indenture dated as of _____ 1, 2018 (the "Second Supplemental Indenture" and, together with the Master Indenture, the "Indenture") each by and between the District and U.S. Bank National Association, as trustee (the "Trustee") and Resolution No. 2014-4 and Resolution No. 2018-__ adopted by the Board on November 25, 2013 and May 3, 2018, respectively (collectively, the "Bond Resolution"). The Series 2018 Special Assessments comprising the Series 2018 Pledged Revenues have been levied by the District on a portion of the lands within the District specially benefited by the Series 2018 Project pursuant to the Assessment Resolution (as such term is defined in the Second Supplemental Indenture).

3. Limited Offering; Establishment of Issue Price. It shall be a condition to the District's obligation to sell and to deliver the Bonds to the Underwriter, and to the Underwriter's obligation to purchase, accept delivery of and pay for the Bonds, that the entire principal amount of the Bonds be issued, sold and delivered by the District and purchased, accepted and paid for by the Underwriter at the Closing and that the District and the Underwriter receive the opinions, documents and certificates described in Section 8(c) hereof.

(a) The Underwriter agrees to assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, in the form reasonably satisfactory to Bond Counsel, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the District and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

(b) Except as otherwise set forth in Exhibit B attached hereto, the District will treat the first price at which 10% of each maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Contract, the Underwriter shall report to the District the price or prices at which it has sold to the public each maturity of the Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the District the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date (as defined below) has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

(c) The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Purchase Contract at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Exhibit B attached hereto, except as otherwise set forth therein. Exhibit B also sets forth, as of the date of this Purchase Contract, the maturities, if any, of the Bonds for which the 10% test has not

been satisfied and for which the District and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the District to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(1) the close of the fifth (5th) business day after the sale date; or

(2) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the District when it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

(d) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this Section. Further, for purposes of this Section:

(1) "public" means any person other than an underwriter or a related party, and

(2) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(3) "sale date" means the date of execution of this Purchase Contract is executed by all parties.

4. Use of Documents. Prior to the date hereof, the District has caused to be prepared and provided to the Underwriter the Preliminary Limited Offering Memorandum, dated _____, 2018 (the "Preliminary Limited Offering Memorandum"), of the District, relating to the Bonds that the District has deemed final as of its date, except for certain permitted omissions (the "permitted omissions"), as contemplated by Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12") in connection with the limited offering of the Bonds.

The Underwriter has reviewed the Preliminary Limited Offering Memorandum prior to the execution of this Purchase Contract. The District hereby 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 date three (3) business days prior to the Closing Date (as hereinafter defined) and in sufficient time to accompany any confirmation that requests payment from any customer such number of copies of the final Limited Offering Memorandum (the "Limited Offering Memorandum" and, together with the Preliminary Limited Offering Memorandum, the "Limited Offering Memoranda") 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 Underwriter agrees to file the Limited Offering Memorandum with the MSRB not later than two (2) business days after the Closing Date. The Underwriter agrees that it will not confirm the sale of any Bonds unless a final written confirmation of sale is accompanied or preceded by the delivery of a copy of the Limited Offering Memorandum. The District authorizes the use by the Underwriter of the Limited Offering Memoranda with respect to the Bonds.

5. Definitions. For purposes hereof, (a) this Purchase Contract, the Bonds, the Indenture, the Continuing Disclosure Agreement to be dated as of the Closing Date, by and among the District, SFI Naples Reserve LLC, a Delaware limited liability company [("SFI Naples Reserve"), Naples AW Holdco LLC, a Delaware limited liability company ("Naples AW Holdco" and, together with SFI Naples Reserve,] the "Developer"), Wrathell, Hunt and Associates, LLC, as dissemination agent (the "Dissemination Agent"), the Trustee and the District Manager in substantially the form attached to the Preliminary Limited Offering Memorandum as APPENDIX E thereto (the "Disclosure Agreement"), and the DTC Blanket Issuer Letter of Representations entered into by the District, are referred to herein collectively as the "Financing Documents," and (b) the Agreement Regarding the Completion of Certain Improvements to be dated as of the Closing Date, by and between the District, the Developer [and iStar REO Holdings II TRS LLC] (the "Completion Agreement"), the Collateral Assignment and Assumption of Development Rights to be dated as of the Closing Date, by and between the District and the Developer (the "Collateral Assignment"), the Agreement Regarding the Acquisition of Certain Work Product, Infrastructure and Real Property to be dated as of the Closing Date, by and between the District and the Developer (the "Acquisition Agreement"), and the True Up Agreement to be dated as of the Closing Date, by and between the District and the Developer (the "True Up Agreement"), are collectively referred to herein as the "Ancillary Agreements."

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

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

(b) The District has full legal right, power and authority to: (i) adopt the Bond Resolution and the Assessment Resolution; (ii) enter into the Financing Documents and

Ancillary Agreements to which it is a party; (iii) sell, issue and deliver the Bonds to the Underwriter as provided herein; (iv) apply the proceeds of the sale of the Bonds for the purposes described in the Limited Offering Memoranda; (v) authorize and 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 Resolution, the Financing Documents, the Ancillary Agreements, 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 Resolution, the Financing Documents, the Ancillary Agreements and the Bonds;

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

(d) Except as may be expressly 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 or the United States of America or any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement, or other material instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, and to the best of its knowledge, no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a material default or material event

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

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

(f) The descriptions of the Bonds, the Financing Documents, the Ancillary Agreements and the Series 2018 Project to the extent referred to in the Limited Offering Memoranda, conform in all material respects to the Bonds, the Financing Documents, the Ancillary Agreements and the Series 2018 Project, respectively;

(g) The Bonds, when issued, executed and delivered in accordance with the Indenture and when sold to the Underwriter as provided herein, will be validly issued and outstanding obligations of the District, entitled to the benefits of the Indenture and upon such issuance, execution and delivery of the Bonds, the Indenture will provide, for the benefit of the holders from time to time of the Bonds, a legally valid and binding pledge of and first lien on the Series 2018 Pledged Revenues. On the Closing Date, all conditions precedent to the issuance of the Bonds set forth in the Indenture will have been complied with or fulfilled;

(h) As of the date hereof, there is no claim, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to its best knowledge, threatened against the District: (i) contesting the corporate existence or powers of the Board or the titles of the respective officers of the Board to their respective offices; (ii) affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the application of the

proceeds of the sale thereof for the purposes described in the Limited Offering Memoranda or the collection of Series 2018 Special Assessments or the pledge of and lien on the Series 2018 Pledged Revenues, pursuant to the Indenture; (iii) contesting or affecting specifically as to the District the validity or enforceability of the Act or any action of the District in any respect relating to the authorization for the issuance of the Bonds, or the authorization of the Series 2018 Project, the Bond Resolution, the Assessment Resolution, the Financing Documents and Ancillary Agreements to which the District is a party, or the application of the proceeds of the Bonds for the purposes set forth in the Limited Offering Memoranda; (iv) contesting the federal tax status of the Bonds; or (v) contesting the completeness or accuracy of the Limited Offering Memoranda or any supplement or amendment thereto;

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

(j) As of its date (unless an event occurs of the nature described in paragraph (1) of this Section 6) and at all times subsequent thereto, up to and including the Closing Date, the statements and information contained in the Preliminary Limited Offering Memorandum (other than "permitted omissions") and in the Limited Offering Memorandum are and will be accurate in all material respects for the purposes for which their use is authorized and do not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; provided, however, that no representation is made concerning information contained in the Limited Offering Memoranda under the captions "DESCRIPTION OF THE SERIES 2018 BONDS – Book-Entry System," "THE DEVELOPMENT," "THE DEVELOPER," "TAX MATTERS," "SUITABILITY FOR INVESTMENT," "LITIGATION – The Developer," and "UNDERWRITING";

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

THE SERIES 2018 BONDS – Book-Entry System," "THE DEVELOPMENT," "THE DEVELOPER," "TAX MATTERS," "SUITABILITY FOR INVESTMENT," "LITIGATION – The Developer," and "UNDERWRITING";

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

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

(n) Except as expressly disclosed in the Preliminary Limited Offering Memorandum, 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 may be expressly disclosed in the Preliminary Limited Offering Memorandum, the District has never failed to comply with any continuing disclosure obligations undertaken by the District in accordance with the continuing disclosure requirements of 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 Contract through the Closing Date, the District will not issue any bonds, notes or other obligations payable from the Series 2018 Pledged Revenues.

7. **Closing.** At 10:00 a.m. prevailing time on _____, 2018 (the "Closing Date") or at such later time as may be mutually agreed upon by the District and the Underwriter, the District will, subject to the terms and conditions hereof, deliver to the Underwriter, the Bonds in definitive book-entry-only form, duly executed and authenticated, together with the other documents hereinafter mentioned, and, subject to the terms and conditions hereof, the Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof, in federal or other immediately available funds to the order of the District. Delivery of the Bonds as aforesaid shall be made pursuant to the FAST system of delivery of The Depository Trust Company, New York, New York, or at such other place as may be mutually agreed upon by the District and the Underwriter. The Bonds shall be typewritten, shall be prepared and delivered as fully registered bonds in book-entry-only form, with one bond for each maturity, registered in the name of Cede & Co. and shall be made available to the Underwriter at least one (1) business day before the Closing Date for purposes of inspection and packaging, unless otherwise agreed by the District and the Underwriter.

8. **Closing Conditions.** The Underwriter has entered into this Purchase Contract in reliance upon the representations, warranties and agreements of the District contained herein, and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered on the Closing Date and upon the performance by the District of its obligations hereunder, both as of the date hereof and as of the Closing Date. Accordingly, the Underwriter's obligations under this Purchase Contract to purchase, to accept delivery of and to pay for the 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 Resolution, the Bonds, the Financing Documents and the Ancillary Agreements shall each be in full force and effect in accordance with their respective terms and the Bond Resolution, the Assessment Resolution, the Indenture and the Limited Offering Memoranda shall not have been supplemented, amended, modified or repealed, except in any such case as may have been agreed to by the Underwriter;

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

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

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

(3) Executed copies of each of the Financing Documents and Ancillary Agreements in form and substance acceptable to the Underwriter and Underwriter's counsel;

(4) The opinion, dated as of the Closing Date and addressed to the District, of Greenberg Traurig, P.A., Bond Counsel, in the form included in the Preliminary Limited Offering Memorandum as APPENDIX C or otherwise in form and substance acceptable to the Underwriter and Underwriter's Counsel, together with a letter of such counsel, dated as of the Closing Date and addressed to the Underwriter and the Trustee, to the effect that the foregoing opinion addressed to the District may be relied upon by the Underwriter and the Trustee to the same extent as if such opinion were addressed to them;

(5) The supplemental opinion, dated as of the Closing Date and addressed to the Underwriter, of Greenberg Traurig, P.A., Bond Counsel, in the form annexed as Exhibit C hereto or otherwise in form and substance acceptable to the Underwriter and Underwriter's Counsel;

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

(7) 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;

(8) A customary authorization and incumbency certificate, dated as of the Closing Date, signed by authorized officers of the Trustee in form and substance acceptable to the Underwriter and Underwriter's Counsel;

(9) The opinion, dated as of the Closing Date and addressed to the District, the Trustee, the Underwriter and Underwriter's Counsel, of Carlton Fields Jordan Burt, P.A., counsel to the Developer in form and substance acceptable to the Underwriter and Underwriter's Counsel;

(10) Certificate of each entity comprising the Developer dated as of the Closing Date, each in the form annexed as Exhibit E hereto, or otherwise in form and substance acceptable to the Underwriter and Underwriter's Counsel;

(11) A copy of the Ordinance;

(12) A certificate, dated as of the Closing Date, signed by the Chairperson or Vice-Chairperson and the Secretary or an Assistant Secretary of the Board, setting forth that: (i) each of the representations of the District contained herein was true and accurate in all material respects on the date when made, has been true and accurate in all material respects at all times since, and

continues to be true and accurate in all material respects on the Closing Date as if made on such date; (ii) the District has performed all obligations to be performed hereunder as of the Closing Date; (iii) except as may be disclosed in the Limited Offering Memorandum, the District has never been in default as to principal or interest with respect to any obligation issued or guaranteed by the District; (iv) the District agrees to take all reasonable action necessary to use the Uniform Method as the means of collecting the Series 2018 Special Assessments as described in the Indenture; and (v) the Limited Offering Memoranda (other than the information under the captions "DESCRIPTION OF THE SERIES 2018 BONDS – Book-Entry System," "THE DEVELOPMENT," "THE DEVELOPER," "TAX MATTERS," "SUITABILITY FOR INVESTMENT," "LITIGATION – The Developer," and "UNDERWRITING", as to which no view need be expressed) as of their respective dates, and as of the date hereof, does not contain any untrue statement of a material fact or omits to state a material fact which should be included therein for the purposes for which the Limited Offering Memoranda are to be used, or which is necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading;

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

(14) A certificate of the District whereby the District deemed the Preliminary Limited Offering Memorandum final for purposes of Rule 15c2-12 as of the date of the Preliminary Limited Offering Memorandum except for the permitted omissions;

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

(16) Executed copies of the District's certification as to arbitrage and other matters relative to the tax status of the Bonds under Section 148 of the Internal Revenue Code of 1986, as amended;

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

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

(19) A certificate of the District manager and methodology consultant in the form annexed as Exhibit G hereto or otherwise in form and substance acceptable to the Underwriter and Underwriter's Counsel;

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

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

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

(23) A copy of the Special Assessment Methodology Report, as amended and supplemented from time to time, relating to the Bonds;

(24) A copy of the Engineer's Report;

(25) Acknowledgments in recordable form by any mortgage holder(s) on lands within the District as to the superior lien of the Series 2018 Special Assessments;

(26) A Declaration of Consent to Jurisdiction of Naples Reserve Community Development District, Imposition of Special Assessments and Imposition of Lien of Record in recordable form by the Developer, and any successor in interest to either in the lands within the District, with respect to all real property which is subject to the Series 2018 Special Assessments in form and substance acceptable to the Underwriter and Underwriter's Counsel;

(27) 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, that it has policies and procedures in place to ensure its compliance with its obligations under the Continuing Disclosure Agreement 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

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

If the District shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase (unless waived by the Underwriter in its sole discretion), to accept

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

9. Termination. The Underwriter shall have the right to terminate its obligations under this Purchase Contract to purchase, to accept delivery of and to pay for the Bonds by notifying the District of its election to do so if, after the execution hereof and prior to the Closing: (i) legislation shall have been introduced in or enacted by the Congress of the United States or enacted by the State, or legislation pending in the Congress of the United States shall have been amended, or legislation shall have been recommended to the Congress of the United States or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairperson or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation shall have been proposed for consideration by either such committee, by any member thereof, or legislation shall have been favorably reported for passage to either House of Congress of the United States by a committee of such House to which such legislation has been referred for consideration, or a decision shall have been rendered by a court of the United States or the State, including the Tax Court of the United States, or a ruling shall have been made or a regulation shall have been proposed or made or a press release or other form of notice shall have been issued by the Treasury Department of the United States, or the Internal Revenue Service or other federal or State authority, with respect to federal or State taxation upon revenues or other income of the general character to be derived by the District or by any similar body, or upon interest on obligations of the general character of the Bonds, which may have the purpose or effect, directly or indirectly, of materially and adversely affecting the tax status of the District, its property or income, its securities (including the Bonds) or the interest thereon, or any tax exemption granted or authorized by the State or, which in the reasonable opinion of the Underwriter, affects materially and adversely the market for the Bonds, or the market price generally of obligations of the general character of the Bonds; (ii) the District or the Developer has, without the prior written consent of the Underwriter, offered or issued any bonds, notes or other obligations for borrowed money, or incurred any material liabilities, direct or contingent, or there has been an adverse change of a material nature in the financial position, results of operations or condition, financial or otherwise, of the District, the Developer, or any other landowner in the District, other than in the ordinary course of its business; (iii) any event shall have occurred or shall exist which, in the reasonable opinion of the Underwriter, would or might cause the information contained in the Limited Offering Memorandum, as then supplemented or amended, to contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; or (iv) the District fails to adopt the Assessment Resolution or fails to perform any action to be performed by it in connection with the levy of the Series 2018 Special Assessments.

10. Expenses.

(a) The District agrees to pay, and the Underwriter shall not be obligated to pay, any expenses incident to the performance of the District's obligations hereunder, including, but not limited to: (i) the cost of the preparation and distribution of the Indenture; (ii) the cost of the preparation and printing, if applicable, of the Limited Offering Memoranda and any supplements thereto, together with a reasonable number of copies which the Underwriter may request; (iii) the cost of registering the Bonds in the name of Cede & Co., as nominee of DTC, which will act as securities depository for such Bonds; and (iv) the fees and disbursements of counsel to the District, the District Manager, the Dissemination Agent, Bond Counsel, the Consulting Engineer, the Underwriter, Underwriter's Counsel, special counsel to the Developer to the extent the work of such counsel is directly related to the issuance of the Bonds, the District's methodology consultant, the Consulting Engineer, and any other experts or consultants retained by the District. The District's obligations under this Section 10(a) shall survive any termination of the Purchase Contract pursuant to either Section 8 or 9 hereof.

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

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

12. Notices. Any notice or other communication to be given to the District under this Purchase Contract may be given by delivering the same in writing to the District Manager at Wrathell, Hunt and Associates, LLC, 2300 Glades Road, Suite 410-W, Boca Raton, Florida 33431, and any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to FMSbonds, Inc., 20660 W. Dixie Highway, North Miami Beach, Florida 33180, Attention: Jon Kessler.

13. Parties in Interest; Survival of Representations. This Purchase Contract is made solely for the benefit of the District and the Underwriter (including the successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. All of the District's representations, warranties and agreements contained in this Purchase Contract shall remain operative and in full force and effect, regardless of: (i) any investigations made by or on behalf of the Underwriter and (ii) delivery of and payment for the Bonds pursuant to this Purchase Contract.

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

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

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

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

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

[Signature page follows.]

Very truly yours,

FMSBONDS, INC.

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

Accepted and agreed to this
___ day of _____, 2018.

**NAPLES RESERVE COMMUNITY
DEVELOPMENT DISTRICT**

By: _____
Donald Mears,
Chairperson, Board of Supervisors

EXHIBIT A

DISCLOSURE AND TRUTH-IN-BONDING STATEMENT

_____, 2018

Naples Reserve Community Development District
Collier County, Florida

Re: \$_____ Naples Reserve Community Development District Special
Assessment Revenue Bonds, Series 2018

Dear Ladies and Gentlemen:

Pursuant to Chapter 218.385, Florida Statutes, and with respect to the issuance of the above-referenced bonds (the "Series 2018 Bonds"), FMSbonds, Inc. (the "Underwriter"), having purchased the Series 2018 Bonds pursuant to a Bond Purchase Agreement dated _____, 2018 (the "Bond Purchase Agreement"), between the Underwriter and Naples Reserve Community Development District (the "District"), furnishes the following information in connection with the Limited Offering and sale of the Series 2018 Bonds. Capitalized terms used and not defined herein shall have the meanings set forth in the Bond Purchase Agreement.

1. The total underwriting discount paid to the Underwriter pursuant to the Bond Purchase Contract is approximately \$_____ per \$1,000.00 or \$_____.
2. There are no "finders" as such term is used in Sections 218.385 and 218.386, Florida Statutes, in connection with the issuance of the Series 2018 Bonds.
3. The nature and estimated amounts of expenses to be incurred by the Underwriter in connection with the issuance of the Series 2018 Bonds are set forth in Schedule I attached hereto.
4. Any other fee, bonus or other compensation estimated to be paid by the Underwriter in connection with the Bonds to any person not regularly employed or retained by the Underwriter in connection with the Bonds to any person not regularly employed or retained by the Underwriter is as follows: None. GrayRobinson, P.A. has been retained as counsel to the Underwriter and will be compensated by the District.
5. Pursuant to the provisions of Sections 218.385(2) and (3), Florida Statutes, as amended, the following truth-in-bonding statements are made with respect to the Series 2018 Bonds.

The District is proposing to issue \$_____ aggregate amount of the Series 2018 Bonds for the purpose of providing funds to: to provide funds for (i) the payment of the Costs of acquiring and constructing the Series 2018 Project; (ii) funding the Series 2018 Debt Service Reserve Account, (iii) payment of capitalized interest on the Series 2018 Bonds through

[_____ 1, _____], and (iv) the payment of the costs of issuance of the Series 2018 Bonds. This debt or obligation is expected to be repaid over a period of approximately _____ (__) years. At a net interest cost of approximately _____% for the Series 2018 Bonds, total interest paid over the life of the Series 2018 Bonds will be \$ _____.

The source of repayment for the Series 2018 Bonds is the Series 2018 Special Assessments imposed and collected by the District. Based solely upon the assumptions set forth in the paragraph above, the issuance of the Series 2018 Bonds will result in approximately \$ _____ of the District's special assessment revenues not being available to the District on an annual basis to finance other services of the District; provided however, that in the event that the Series 2018 Bonds were not issued, the District would not be entitled to impose and collect the Series 2018 Special Assessments in the amount of the principal of and interest to be paid on the Series 2018 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	
DTC	
FINRA/SIPC	
MSRB	
Electronic Orders	
TOTAL:	<hr/>

EXHIBIT B

TERMS OF BONDS

1. **Purchase Price:** \$_____ (representing the principal amount of the Bonds, [plus/less net original issue premium/discount of \$_____ and] less an underwriter's discount of \$_____).

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

<u>Amount</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Price</u>
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The Underwriter has offered the Series 2018 Bonds to the public on or before the date of this Purchase Contract at the initial offering prices set forth herein and has sold at least 10% of each maturity of the Series 2018 Bonds to the public at a price that is no higher than such initial offering prices[, except for the following maturities: _____].

3. **Redemption Provisions:**

Optional Redemption

The Series 2018 Bonds may, at the option of the District, be called for redemption prior to maturity in whole or in part at any time on or after May 1, 2028 (less than all Series 2018 Bonds to be selected by lot), at a Redemption Price equal to 100% of the principal amount of Series 2018 Bonds to be redeemed plus accrued interest from the most recent Interest Payment Date to the redemption date from moneys on deposit in the Series 2018 Prepayment Account.

Mandatory Sinking Fund Redemption

The Series 2018 Bonds maturing on November 1, 20__ are subject to mandatory sinking fund redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2018 Sinking Fund Account established under the Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on November 1 of the years and in the principal amounts set forth below:

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

* Maturity.

The Series 2018 Bonds maturing on November 1, 20__ are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2018 Sinking Fund Account established under the Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on November 1 of the years and in the principal amounts set forth below:

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

* Maturity.

The Series 2018 Bonds maturing on November 1, 20__ are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2018 Sinking Fund Account established under the Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on November 1 of the years and in the principal amounts set forth below:

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

* Maturity.

Extraordinary Mandatory Redemption

The Series 2018 Bonds are subject to extraordinary mandatory redemption prior to maturity by the District in whole or in part, on any date, at a Redemption Price equal to 100% of the principal amount of the Series 2018 Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

(i) from Series 2018 Prepayment Principal deposited into the Series 2018 Prepayment Account of the Series 2018 Bond Redemption Fund following the payment in whole or in part of Series 2018 Special Assessments on any assessable property within District Lands in accordance with the provisions of the Second Supplemental Indenture;

(ii) from moneys, if any, on deposit in the Series 2018 Funds, Accounts and Subaccounts in the Funds and Accounts (other than the Series 2018 Rebate Fund and the Series 2018 Acquisition and Construction Account) sufficient to pay and redeem all Outstanding Series 2018 Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the Master Indenture; and

(iii) upon the Completion Date, from any funds remaining on deposit in the Series 2018 Acquisition and Construction Account not otherwise reserved to complete the Series 2018 Project and transferred to the Series 2018 General Account.

EXHIBIT C

BOND COUNSEL'S SUPPLEMENTAL OPINION

_____, 2018

Naples Reserve Community Development District
Collier County, Florida

FMSbonds, Inc.
North Miami Beach, Florida

Re: \$_____ Naples Reserve Community Development District Special
Assessment Revenue Bonds, Series 2018

Ladies and Gentlemen:

We have acted as Bond Counsel to the Naples Reserve 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 Naples Reserve Community Development District Special Assessment Revenue Bonds, Series 2018 (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 August 1, 2014, as supplemented and amended by that certain Second Supplemental Trust Indenture, dated as of _____ 1, 2018 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 _____, 2018 (the "Purchase Agreement"), for the purchase of the Bonds. Capitalized words used, but not defined, herein shall have the meanings ascribed thereto in the Purchase Agreement.

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

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

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

2. The information in the Limited Offering Memorandum under the captions "INTRODUCTION," "DESCRIPTION OF THE SERIES 2018 BONDS" (other than the subheading "Book-Entry System"), "SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2018 BONDS" and "APPENDIX B: COPY OF MASTER INDENTURE AND PROPOSED FORM OF SECOND SUPPLEMENTAL 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"), and the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), is accurate.

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

_____, 2018

Naples Reserve Community Development District
Collier County, Florida

FMSbonds, Inc.
North Miami Beach, Florida

Greenberg Traurig, P.A.
Miami, Florida

GrayRobinson, P.A.
Tampa, Florida

Re: \$ _____ Naples Reserve Community Development District (Collier County,
Florida) Special Assessment Bonds, Series 2018

Ladies and Gentlemen:

[Customary introduction/qualifications]

The District has been established and validly exists as a community development district and independent local unit of special purpose government under applicable Florida law. The Bond Purchase Agreement, the Indenture, the DTC Letter of Representations, and the Continuing Disclosure Agreement to be dated _____, 2018, by and among the District, SFI Naples Reserve LLC, a Delaware limited liability company ["SFI Naples Reserve"], Naples AW Holdco LLC, a Delaware limited liability company ("Naples AW Holdco" and, together with SFI Naples Reserve,] the "Developer"), Wrathell, Hunt and Associates, LLC, as dissemination agent (the "Dissemination Agent"), the Trustee and the District Manager in substantially the form attached to the Preliminary Limited Offering Memorandum as Appendix E thereto (collectively, the "Financing Documents") and the Agreement Regarding the Completion of Certain Improvements to be dated as of _____, 2018, by and between the District, the Developer [and iStar REO Holdings II TRS LLC] (the "Completion Agreement"), the Collateral Assignment and Assumption of Development Rights to be dated as of _____, 2018, by and between the District and the Developer (the "Collateral Assignment"), the Agreement Regarding the Acquisition of Certain Work Product, Infrastructure and Real Property to be dated as of _____, 2018, by and between the District and the Developer (the "Acquisition Agreement"), and the True Up Agreement to be dated as of _____, 2018, by and between the District and the Developer (the "True Up Agreement"), (the "True Up Agreement" and, together with the Completion Agreement, the Collateral Assignment, the Acquisition Agreement, and the True Up Agreement are collectively referred to herein as the "Ancillary Agreements") regarding the levy and collection of the Series 2018 Special Assessments using the uniform method for the collection of non ad-valorem assessments

pursuant to Section 197.3632, Florida Statutes, as amended, and the Bonds have been duly authorized, executed and delivered, and assuming due execution by the other party(ies) thereto, if applicable, the Financing Documents, the Ancillary Agreements, the Bonds, Resolution No. 2014-4 and Resolution No. 2018-__ adopted by the Board of Supervisors of the District (the "Board") on November 25, 2013 and May 3, 2018 (collectively, the "Bond Resolution"), Resolution No. 2014-1 and Resolution No. 2014-2, which were adopted by the Board on November 25, 2013, Resolution No. 2014-7 adopted by the Board on January 8, 2014, Resolution No. 2014-10 adopted by the Board on February 12, 2014, and Resolution No. 2018-__ adopted by the Board on _____, 2018 (collectively, the "Assessment Resolution"), constitute legal, valid and binding obligations of the District, enforceable in accordance with their respective terms, except to the extent that the enforceability of the rights and remedies set forth therein may be limited by bankruptcy, insolvency, and similar laws affecting creditors' rights generally and general principles of equity.

1. There is no litigation or other proceeding now pending of which the District or its registered agent has received notice or service of process, or to our best knowledge, threatened against the District: (a) contesting the existence or powers of the board or the titles of the respective officers of the Board to their respective offices; (b) affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the application of the proceeds of the sale thereof for the purposes described in the Limited Offering Memoranda (as defined herein) or the collection of Series 2018 Special Assessments or the pledge of and lien on the Series 2018 Pledged Revenues pursuant to the Indenture; (c) contesting or affecting specifically as to the District the validity or enforceability of the Act or any action of the District relating to authorization for the issuance of the Bonds or the authorization of the Series 2018 Project, the Bond Resolution, the Assessment Resolution, the Financing Documents, the Ancillary Agreements, or the application of the proceeds of the Bonds for the purposes set forth in the Limited Offering Memoranda; (d) specifically contesting the federal or state tax status of the Bonds; or (e) contesting the completeness or accuracy of the Limited Offering Memoranda or any supplement or amendment thereto.

2. The District has duly authorized and delivered the Preliminary Limited Offering Memorandum dated _____, 2018 (the "Preliminary Limited Offering Memorandum"), and duly authorized, execute and delivered the Limited Offering Memorandum dated _____, 2018 (the "Limited Offering Memorandum" and, together with the Preliminary Limited Offering Memorandum, collectively, the "Offering Memoranda").

3. 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 SERIES 2018 BONDS," "ENFORCEMENT OF ASSESSMENT COLLECTIONS," "THE DISTRICT" (excluding the subcaption "The District Manager and Other Consultants"), "AGREEMENT BY THE STATE," "CONTINUING DISCLOSURE," "LITIGATION – The District," "DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS," "VALIDATION," and "AUTHORIZATION AND APPROVAL" are not true and accurate and as of their respective dates 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.

4. The District is not, in any manner material to the issuance of the Bonds, in breach of or default under any applicable provision of the Act or constitutional provision, statute, or administrative regulation of the State or the United States, or to the best of our knowledge, any applicable judgment or decree, any loan agreement, indenture, bond, note, resolution, agreement, or any other material instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, and to the best of our knowledge, no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a material default or event of default by the District under any such instrument; provided, however, that no opinion is expressed as to compliance with any state or federal tax laws or with any state "Blue Sky" or other securities laws, as may be applicable.

5. The execution and delivery of the Bonds, the Financing Documents and the Ancillary Agreements and the adoption of the Bond Resolution and the Assessment Resolution and compliance with the provisions on the District's part contained therein will not conflict with or constitute a breach of or default under any applicable constitutional provision or law, or to the best of our knowledge, under 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 expressly provided by the Bonds and the Indenture. To the best of our knowledge after due inquiry, the District has taken no action which, with the lapse of time or the giving of notice, or both would constitute a material default or event of default by the District under the Bonds, the Financing Documents or the Ancillary Agreements.

6. To the best of our knowledge after investigation, all consents, permits 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 that no opinion is expressed as to the applicability of or compliance with tax laws, state "Blue Sky" laws or other securities laws.

7. The District has the right and authority under the Act and other state law to adopt the Bond Resolution and the Assessment Resolution, to issue the Bonds, to undertake the Series 2018 Project, to issue the Bonds and to levy the Series 2018 Special Assessments that will secure the Bonds, and has duly adopted the Bond Resolution and the Assessment Resolution.

8. All proceedings undertaken by the District with respect to the Series 2018 Special Assessments securing the Bonds, including adoption of the Assessment Resolution, were undertaken in accordance with Florida law, and the District has taken all necessary action as of the date hereof to levy and impose the Series 2018 Special Assessments. The Series 2018 Special Assessments constitute legal, valid, binding and enforceable first liens upon the property

against which such Series 2018 Special Assessments are assessed, co-equal with the lien of all state, county, district and municipal taxes and assessments, and superior in dignity to all other liens, titles and claims, until paid.

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

10. The District has the full power and authority to own and operate the Series 2018 Project.

11. All conditions prescribed in the Indenture and the Purchase Contract to be performed by the District as precedent to the issuance of the Bonds have been fulfilled.

Very truly yours,

EXHIBIT E

CERTIFICATE OF [SFI NAPLES RESERVE LLC / NAPLES AW HOLDCO LLC]

[SFI Naples Reserve LLC / Naples AW Holdco LLC], a Delaware limited liability company (the "Developer"), DOES HEREBY CERTIFY, that:

1. This Certificate of Developer is furnished pursuant to Section 8(c)(10) of the Bond Purchase Agreement dated _____, 2018 (the "Purchase Contract") between Naples Reserve Community Development District (the "District") and FMSbonds, Inc. (the "Underwriter") relating to the sale by the District of its \$_____ original aggregate principal amount of Naples Reserve Community Development District Special Assessment Revenue Bonds, Series 2018 (the "Bonds"). Capitalized terms used, but not defined, herein shall have the meaning assigned thereto in the Purchase Contract.
2. The Developer is a limited liability company organized and existing under the laws of the State of Delaware and is registered to transact business and in good standing in the State of Florida.
3. Representatives of the Developer have provided information to the District to be used in connection with the offering by the District of its Bonds, pursuant to a Preliminary Limited Offering Memorandum dated _____, 2018, and a final Limited Offering Memorandum dated _____, 2018 (collectively, the "Limited Offering Memoranda").
4. The Declaration of Consent to Jurisdiction of Naples Reserve Community Development District and to Imposition of Special Assessments dated _____, 2018 executed by the Developer and to be recorded in the public records of Collier County, Florida (the "Declaration of Consent"), constitutes a valid and binding obligation of the Developer, enforceable against the Developer in accordance with its terms.
5. The Developer has reviewed and approved the information contained in the Limited Offering Memoranda under the captions "THE SERIES 2018 PROJECT," "THE DEVELOPMENT" and "THE DEVELOPER" and with respect to the Developer and the development of the Series 2018 Project and the lands in the District (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, the Developer is not aware of any other information in the Limited Offering Memoranda that contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.
6. The Developer represents and warrants that it has complied with and will continue to comply with Chapter 190.048, Florida Statutes, as amended.

7. As of the date hereof, there has been no material adverse change in the business, properties, assets or financial condition of the Developer which has not been disclosed in the Limited Offering Memoranda.

8. The Developer represents and warrants that it owns, or covenants that it will enter into an agreement to develop, all of the land in the District that will be subject to the Series 2018 Special Assessments and the Developer hereby consents to the levy of the Series 2018 Special Assessments on the lands in the District owned by the Developer. The levy of the Series 2018 Special Assessments on the Lands in the District will not conflict with or constitute a breach of or default under any agreement, mortgage, lien or other instrument to which the Developer is a party or to which its property or assets are subject.

9. 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. The Developer has not indicated its consent to, or approval of, or failed to object timely to, any petition in bankruptcy, application or proceeding or order for relief or the appointment of a custodian, receiver or any trustee.

10. The Developer acknowledges that the Bonds have the debt service requirements set forth in the Limited Offering Memoranda and that the Series 2018 Special Assessments will be levied by the District at times, and in amounts sufficient, to enable the District to pay debt service on the Bonds when due.

11. To the best of our knowledge, the Developer is not in default under any resolution, ordinance, agreement or indenture, mortgage, lease, deed of trust, note or other instrument to which the Developer is subject or by which the Developer or its properties are or may be bound, which would have a material adverse effect on the consummation of the transactions contemplated by the Financing Documents, Ancillary Documents or on the development of the Series 2018 Project and the lands in the District and is not delinquent in the payment of all ad valorem, federal and state taxes associated with the development of the Series 2018 Project and the lands in the District.

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

13. To the best of our knowledge after due inquiry, the Developer is in compliance in all material respects with all provisions of applicable law in all material matters relating to the

development of the Series 2018 Project and the lands in the District as described in the Limited Offering Memoranda, including applying for all necessary permits. Except as otherwise described in the Limited Offering Memoranda, (a) the lands in the District are zoned and properly designated for their intended use; (b) all government permits other than certain permits, which permits are expected to be received as needed, have been received; (c) the Developer is not aware of any default of any zoning condition, permit or development agreement which would adversely affect the Developer's ability to complete or cause the completion of development of the Series 2018 Project and the lands in the District 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 of the Series 2018 Project and the lands in the District as described in the Limited Offering Memoranda will not be obtained as required.

14. The Developer acknowledges that it will have no rights under Chapter 170, Florida Statutes, as amended, to prepay, without interest, the Series 2018 Special Assessments imposed on lands in the District owned by the Developer within thirty (30) days following completion of the Series 2018 Project and acceptance thereof by the District.

15. The Developer has never failed to timely comply with disclosure obligations pursuant to SEC Rule 15c2-12 and the Developer is not insolvent.

16. The Developer is not in default of any obligations to pay special assessments.

Dated: _____, 2018.

_____ LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

EXHIBIT F

Hole Montes, Inc., a Florida corporation (the "Engineers"), DOES HEREBY CERTIFY, that:

1. This certificate is furnished pursuant to Section 8(c)(18) of the Bond Purchase Agreement dated _____, 2018 (the "Purchase Contract"), by and between Naples Reserve Community Development District (the "District") and FMSbonds, Inc. with respect to the \$_____ Naples Reserve Community Development District Special Assessment Revenue Bonds, Series 2018 (the "Bonds"). Capitalized terms used, but not defined, herein shall have the meaning assigned thereto in the Purchase Contract or the Preliminary Limited Offering Memorandum dated _____, 2018 (the "Preliminary Limited Offering Memorandum") and the Limited Offering Memorandum dated _____, 2018 (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 Series 2018 Project (as described in the Limited Offering Memoranda) improvements were approved by all regulatory bodies required to approve them. All environmental and other regulatory permits or approvals required in connection with the construction of the Series 2018 Project and the remaining infrastructure in the District were obtained or are expected to be obtained in the ordinary course.

4. The Engineers prepared reports entitled [District Engineer's Report for Naples Reserve Community Development District Bond Validation Report dated November 5, 2013 and _____] (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 Series 2018 Project are included in the Limited Offering Memoranda under the captions "THE CAPITAL IMPROVEMENT PROGRAM AND THE SERIES 2018 PROJECT" and "THE DEVELOPMENT." The Report and said information are true and complete in all material respects, contain no untrue statement of a material fact, and do not omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

5. The 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 Series 2018 Project improvements to the extent constructed have been constructed in sound workmanlike manner and in accordance with industry standards.

7. The price being paid by the District to the Developer for acquisition of the improvements included within the Series 2018 Project does not exceed the lesser of the cost of the Series 2018 Project or the fair market value of the assets acquired by the District.

8. To the best of our knowledge, after due inquiry, the Developer is in compliance in all material respects with all provisions of applicable law in all material matters relating to the Developer and development of the Series 2018 Project and the lands in the District as described in the Limited Offering Memoranda. Except as otherwise described in the Limited Offering Memoranda, (a) all government permits required in connection with the construction of the development of the Series 2018 Project and the lands in the District subject to the Series 2018 Special Assessments as described in the Limited Offering Memoranda have been received or are expected to be obtained in the ordinary course; (b) we are not aware of the any default of any zoning condition, land use permit or development agreement which would adversely affect the ability to complete development of the Series 2018 Project and the lands in the District as described in the Limited Offering Memoranda and all appendices thereto; and (c) we have no actual knowledge and are not otherwise aware of any reason to believe that any permits, consents and licenses required to complete the development of the Series 2018 Project and the lands in the District as described in the Limited Offering Memoranda will not be obtained in due course as required by the Developer, or any other person or entity, necessary for the development of the Series 2018 Project and the lands in the District as described in the Limited Offering Memoranda and all appendices thereto.

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

Date: _____, 2018

HOLE MONTES, INC., a Florida corporation

By: _____

Name: _____

Title: _____

EXHIBIT G

CERTIFICATE OF DISTRICT MANAGER AND METHODOLOGY CONSULTANT

_____, 2018

Naples Reserve Community Development District
Collier County, Florida

FMSbonds, Inc.
North Miami Beach, Florida

Re: \$_____ Naples Reserve Community Development District Special Assessment
Revenue Bonds, Series 2018

Ladies and Gentlemen:

The undersigned representative of Wrathell, Hunt and Associates, LLC, a Florida limited liability company ("Wrathell, Hunt & Associates"), DOES HEREBY CERTIFY:

1. This certificate is furnished pursuant to Section 8(c)(19) of the Bond Purchase Agreement dated _____, 2018 (the "Purchase Contract"), by and between Naples Reserve Community Development District (the "District") and FMSbonds, Inc. with respect to the \$_____ Naples Reserve Community Development District Special Assessment Revenue Bonds, Series 2018 (the "Bonds"). Capitalized terms used, but not defined, herein shall have the meaning assigned thereto in the Purchase Contract or the Preliminary Limited Offering Memorandum dated _____, 2018 (the "Preliminary Limited Offering Memorandum") and the Limited Offering Memorandum dated _____, 2018 (the "Limited Offering Memorandum" and, together with the Preliminary Limited Offering Memorandum, the "Limited Offering Memoranda") relating to the Bonds, as applicable.
2. Wrathell, Hunt & Associates has acted as district manager and methodology consultant to the District in connection with the sale and issuance by the District of its Bonds and have participated in the preparation of the Preliminary Limited Offering Memoranda.
3. In connection with the issuance of the Bonds, we have been retained by the District to prepare the Master Special Assessment Methodology Report dated November 8, 2013 and the Second Supplemental Special Methodology Report dated _____, 2018, 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.
4. As District Manager, nothing has come to our attention that would lead us to believe that the Limited Offering Memoranda, as they relate to the District, the Series 2018 Project, or any information provided by us, and the Assessment Report, as of their date and as of this date, contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to be stated therein in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

5. The information set forth in the Limited Offering Memoranda under the captions "THE DISTRICT," "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS," "FINANCIAL INFORMATION," "DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS," "CONTINUING DISCLOSURE," "LITIGATION – The District", and in "APPENDIX D: ASSESSMENT METHODOLOGY" and in "APPENDIX F: FINANCIAL STATEMENTS" did not as of the respective dates of the Limited Offering Memoranda and does not as of the date hereof contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

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

7. As District Manager 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 Series 2018 Special Assessments, as initially levied, and as may be reallocated from time to time as permitted by resolutions adopted by the District with respect to the Series 2018 Special Assessments, are sufficient to enable the District to pay the debt service on the Bonds through the final maturity thereof.

Dated: _____, 2018.

**WRATHELL, HUNT AND ASSOCIATES,
LLC**, a Florida limited liability company

By: _____

Name: _____

Title: _____

EXHIBIT C

FORM OF PRELIMINARY LIMITED OFFERING MEMORANDUM

PRELIMINARY LIMITED OFFERING MEMORANDUM DATED _____, 2018

NEW ISSUE - BOOK-ENTRY ONLY
LIMITED OFFERING

NOT RATED

In the opinion of Greenberg Traurig, P.A., Bond Counsel, under existing statutes, regulations, rulings and court decisions, assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Series 2018 Bonds (as hereinafter defined) will be excludable from gross income for federal income tax purposes. Further, interest on the Series 2018 Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. See "TAX MATTERS" herein for a description of the federal alternative minimum tax and certain other federal tax consequences of ownership of the Series 2018 Bonds. Bond Counsel is further of the opinion that the Series 2018 Bonds and the interest thereon are not subject to taxation under the laws of the State of Florida, except as to estate taxes and taxes under Chapter 220, Florida Statutes, as amended, on interest, income or profits on debt obligations owned by corporations as defined therein. For a more complete discussion of such opinions of Bond Counsel, see "TAX MATTERS" herein.

\$8,495,000*

**NAPLES RESERVE COMMUNITY DEVELOPMENT DISTRICT
(COLLIER COUNTY, FLORIDA)
SPECIAL ASSESSMENT BONDS, SERIES 2018**

Dated: Date of Original Issuance

Due: May 1, as shown below

The Naples Reserve Community Development District Special Assessment Bonds, Series 2018 (the "Series 2018 Bonds"), are being issued by the Naples Reserve Community Development District (the "District" or "Issuer") only in fully registered form, without coupons, in current interest form, in denominations of \$5,000 and any integral multiple thereof. The Series 2018 Bonds will bear interest at the fixed rates set forth below, calculated on the basis of a 360-day year comprised of twelve 30-day months, payable semi-annually on each May 1 and November 1, commencing November 1, 2018. The Series 2018 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 Series 2018 Bonds will be made only in book-entry form. Accordingly, principal of and interest on the Series 2018 Bonds will be paid from the Series 2018 Pledged Revenues (as hereinafter defined) by U.S. Bank National Association, Fort Lauderdale, 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 Series 2018 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 Series 2018 Bond. See "DESCRIPTION OF THE SERIES 2018 BONDS - Book-Entry System" herein.

The Series 2018 Bonds are being issued to provide funds for (i) the payment of the Costs of acquiring and constructing the Series 2018 Project; (ii) funding a deposit to the Series 2018 Debt Service Reserve Account, (iii) payment of capitalized interest on the Series 2018 Bonds through [____ 1, 201__] and (iv) the payment of the costs of issuance of the Series 2018 Bonds. See "THE CAPITAL IMPROVEMENT PROGRAM AND THE SERIES 2018 PROJECT" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The District is a local unit of special purpose government of the State of Florida (the "State"), created and chartered by the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), and was established pursuant to the Act by Ordinance No. 08-37 of the Board of County Commissioners of Collier County, Florida (the "County") on July 22, 2008 (the "Ordinance"). The Series 2018 Bonds are being issued pursuant to the Act, Resolution No. 2014-4 and Resolution No. 2018-__ adopted by the Board of Supervisors (the "Board") of the District on November 25, 2013 and May 3, 2018, respectively (collectively, the "Bond Resolution"), and a Master Trust Indenture, dated as of August 1, 2014 (the "Master Indenture"), as supplemented by a Second Supplemental Trust Indenture dated as of _____ 1, 2018 (the "Second Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), by and between the District and the Trustee. The Series 2018 Bonds will be secured by a pledge of the Series 2018 Pledged Revenues. "Series 2018 Pledged Revenues" shall mean with respect to the Series 2018 Bonds (a) all revenues received by the District from Special Assessments (as defined in the Master Indenture) levied and collected on the District Lands benefited by the Series 2018 Project and expected to contain 591 residential units, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Special Assessments or from the issuance and sale of tax certificates with respect to such Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Indenture; provided, however, that Series 2018 Pledged Revenues shall not include (A) any moneys transferred to the Rebate Fund, or investment earnings thereon and (B) "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance special assessments" levied and collected by the District under Section 190.021(3) of the Act (it being expressly understood that the lien and pledge of the Indenture shall not apply to any of the moneys described in the foregoing clauses (A) and (B) of this proviso). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2018 BONDS" herein.

The Series 2018 Bonds are subject to optional redemption, mandatory sinking fund redemption and extraordinary mandatory redemption prior to maturity. See "DESCRIPTION OF THE SERIES 2018 BONDS – Redemption Provisions" herein.

THE SERIES 2018 BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY OUT OF THE SERIES 2018 PLEDGED REVENUES PLEDGED THEREFOR UNDER THE INDENTURE AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE DISTRICT, THE COUNTY, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE SERIES 2018 BONDS, EXCEPT THAT THE DISTRICT IS OBLIGATED UNDER THE INDENTURE TO LEVY, AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, SPECIAL ASSESSMENTS TO SECURE AND PAY THE SERIES 2018 BONDS. THE SERIES 2018 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT, THE COUNTY, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

This Preliminary Offering Memorandum and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Offering Memorandum constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Series 2018 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 Offering Memorandum "final," except for permitted omissions, within the contemplation of Rule 15c2-12 promulgated by the Securities and Exchange Commission.

The Series 2018 Bonds involve a degree of risk (See "BONDOWNERS' RISKS" herein) and are not suitable for all investors (See "SUITABILITY FOR INVESTMENT" herein). The Series 2018 Bonds are not credit enhanced or rated and no application has been made for a rating with respect to the Series 2018 Bonds. The Series 2018 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 secondary market for the Series 2018 Bonds.

This cover page contains information for quick reference only. It is not a summary of the Series 2018 Bonds. Investors must read the entire Limited Offering Memorandum to obtain information essential to the making of an informed investment decision.

MATURITY SCHEDULE

\$ _____ – _____% Term Bond due May 1, 20____, Yield _____%, Price _____ CUSIP # _____**
\$ _____ – _____% Term Bond due May 1, 20____, Yield _____%, Price _____ CUSIP # _____**
\$ _____ – _____% Term Bond due May 1, 20____, Yield _____%, Price _____ CUSIP # _____**

The Series 2018 Bonds are offered for delivery when, as and if issued by the District and subject to the receipt of the approving legal opinion of Greenberg Traurig, P.A., Miami, Florida, Bond Counsel. Certain legal matters will be passed upon for the District by its counsel, Coleman, Yovanovich & Koester, P.A., Naples, Florida; for the Developer (as hereinafter defined) by its counsel, Carlton Fields Jordan Burt, P.A., Tampa, 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 Series 2018 Bonds will be delivered in book-entry form through the facilities of DTC on or about _____, 2018.

FMSbonds, Inc.

Dated: _____, 2018

*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.

NAPLES RESERVE COMMUNITY DEVELOPMENT DISTRICT

BOARD OF SUPERVISORS

Donald Mears*, Chairperson
Jim Moyle*, Vice Chairperson
Joseph Davis, Assistant Secretary
Robert Mulhere, Assistant Secretary
Peter Rodino, Assistant Secretary

[* Employee of an affiliate of the Developer]

DISTRICT MANAGER

Wrathell, Hunt and Associates, LLC
Boca Raton, Florida

DISTRICT COUNSEL

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

BOND COUNSEL

Greenberg Traurig, P.A.
Miami, 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 SERIES 2018 BONDS AND THERE SHALL BE NO OFFER, SOLICITATION, OR SALE OF ANY SERIES 2018 BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE INFORMATION SET FORTH HEREIN HAS BEEN OBTAINED FROM THE DISTRICT, 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 OR THE DEVELOPER OR IN THE STATUS OF THE DEVELOPMENT OR THE SERIES 2018 PROJECT (AS SUCH TERMS ARE HEREINAFTER DEFINED) SINCE THE DATE HEREOF.

THE SERIES 2018 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON CERTAIN EXEMPTIONS SET FORTH IN SUCH ACTS. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE SERIES 2018 BONDS IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF ANY JURISDICTIONS WHEREIN THESE SECURITIES HAVE BEEN OR WILL BE REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THE DISTRICT, THE COUNTY, THE STATE, NOR ANY OTHER POLITICAL SUBDIVISIONS THEREOF HAVE GUARANTEED OR PASSED UPON THE MERITS OF THE SERIES 2018 BONDS, UPON THE PROBABILITY OF ANY EARNINGS THEREON OR UPON THE ACCURACY OR ADEQUACY OF THIS LIMITED OFFERING MEMORANDUM.

"FORWARD-LOOKING STATEMENTS" ARE USED IN THIS DOCUMENT BY USING FORWARD LOOKING WORDS SUCH AS "MAY," "WILL," "SHOULD," "INTENDS," "EXPECTS," "BELIEVES," "ANTICIPATES," "ESTIMATES," OR OTHERS. THE READER IS CAUTIONED THAT FORWARD-LOOKING STATEMENTS ARE SUBJECT TO A VARIETY OF UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER FROM THE PROJECTED RESULTS. THOSE RISKS AND UNCERTAINTIES INCLUDE GENERAL ECONOMIC AND BUSINESS CONDITIONS, CONDITIONS IN THE FINANCIAL MARKETS AND REAL ESTATE MARKET, THE DISTRICT'S COLLECTION OF ASSESSMENTS, AND VARIOUS OTHER FACTORS WHICH MAY BE BEYOND THE DISTRICT'S AND/OR DEVELOPER'S

CONTROL. BECAUSE THE DISTRICT AND THE DEVELOPER CANNOT PREDICT ALL FACTORS THAT MAY AFFECT FUTURE DECISIONS, ACTIONS, EVENTS, OR FINANCIAL CIRCUMSTANCES, WHAT ACTUALLY HAPPENS MAY BE DIFFERENT FROM WHAT IS INCLUDED IN FORWARD-LOOKING STATEMENTS.

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

THIS PRELIMINARY LIMITED OFFERING MEMORANDUM IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM ("ORIGINAL BOUND FORMAT") OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITES: WWW.MUNIOS.COM AND WWW.EMMA.MSRB.ORG. THIS PRELIMINARY LIMITED OFFERING MEMORANDUM MAY BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR AS PRINTED IN ITS ENTIRETY DIRECTLY FROM SUCH WEBSITE.

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

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LIMITED OFFERING MEMORANDUM

\$8,495,000*

NAPLES RESERVE COMMUNITY DEVELOPMENT DISTRICT (COLLIER COUNTY, FLORIDA) SPECIAL ASSESSMENT BONDS, SERIES 2018

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 Naples Reserve Community Development District (the "District") of its \$8,495,000* Special Assessment Bonds, Series 2018 (the "Series 2018 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 SERIES 2018 BONDS. THE SERIES 2018 BONDS ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS. THE SERIES 2018 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 SECONDARY MARKET FOR THE SERIES 2018 BONDS. SEE "SUITABILITY FOR INVESTMENT" AND "BONDOWNERS' RISKS" HEREIN.

The District is a local unit of special purpose government of the State of Florida (the "State"), created and chartered by the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), and was established pursuant to the Act by Ordinance No. 08-37 of the Board of County Commissioners of Collier County, Florida (the "County") on July 22, 2008 (the "Ordinance"). The District was established for the purpose, among other things, of managing the acquisition, construction, maintenance, operation and financing of certain public infrastructure 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 District contains a total of approximately 688 gross acres of land (the "District Lands") and is located entirely in the County. For more complete information about the District, its Board of Supervisors and the District Manager, see "THE DISTRICT" herein. The District Lands are being developed as a planned residential community known as "Naples Reserve" (the "Development"), which is expected to contain 1,088 residential units at build out.

The District previously issued bonds in August 2014 to fund the development of the first phase of the Development, which consists of 497 residential units (the "Series 2014 Bonds"). The Series 2014 Bonds are separately secured by non-ad valorem special assessments that have been allocated to the units in the first phase of the Development (the "Series 2014 Special Assessments").

The Series 2018 Special Assessments (as defined herein) are levied on the District Lands, other than the lands subject to the Series 2014 Special Assessments, and will be allocated to the second phase of development within the Development, which is planned for a total of 591 residential units, including

* Preliminary, subject to change.

single-family homes and villas. See "THE DEVELOPMENT" herein for a summary of the current development status of the Development and the lands that will be subject to the Series 2018 Special Assessments.

All of the District Lands that will be subject to the Series 2018 Special Assessments are owned either by SFI Naples Reserve LLC, a Delaware limited liability company [or Naples AW Holdco LLC, a Delaware limited liability company] ([collectively,] the "Developer"). See "THE DEVELOPER" herein for more information regarding the Developer. [Builder contracts.]

The Series 2018 Bonds are being issued pursuant to the Act, Resolution No. 2014-4 and Resolution No. 2018-__ adopted by the Board of Supervisors (the "Board") of the District on November 25, 2013 and May 3, 2018, respectively (collectively, the "Bond Resolution"), and a Master Trust Indenture, dated as of August 1, 2014 (the "Master Indenture"), as supplemented by a Second Supplemental Trust Indenture dated as of _____ 1, 2018 (the "Second Supplemental Indenture" and, together with the Master Indenture, 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 INDENTURE AND PROPOSED FORM OF SECOND SUPPLEMENTAL INDENTURE."

The Series 2018 Bonds are being issued to provide funds for (i) the payment of the Costs of acquiring and constructing the Series 2018 Project (as hereinafter defined); (ii) funding a deposit to the Series 2018 Debt Service Reserve Account, (iii) payment of capitalized interest on the Series 2018 Bonds through [_____ 1, 201__] and (iv) the payment of the costs of issuance of the Series 2018 Bonds. See "THE CAPITAL IMPROVEMENT PROGRAM AND THE SERIES 2018 PROJECT" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The Series 2018 Bonds will be secured by a pledge of the Series 2018 Pledged Revenues. "Series 2018 Pledged Revenues" shall mean with respect to the Series 2018 Bonds (a) all revenues received by the District from Special Assessments (as defined in the Master Indenture) levied and collected on the District Lands benefited by the Series 2018 Project, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Special Assessments or from the issuance and sale of tax certificates with respect to such Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Indenture; provided, however, that Series 2018 Pledged Revenues shall not include (A) any moneys transferred to the Rebate Fund, or investment earnings thereon and (B) "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance special assessments" levied and collected by the District under Section 190.021(3) of the Act (it being expressly understood that the lien and pledge of the Indenture shall not apply to any of the moneys described in the foregoing clauses (A) and (B) of this proviso). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2018 BONDS" herein.

There follows in this Limited Offering Memorandum a brief description of the District, the Development, the Series 2018 Project, the Developer and summaries of the terms of the Series 2018 Bonds, the Indenture and certain provisions of the Act. All references herein to the Indenture and the Act are qualified in their entirety by reference to such documents and statute, and all references to the Series 2018 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 proposed form of the Second Supplemental Indenture appear in APPENDIX B hereto.

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

DESCRIPTION OF THE SERIES 2018 BONDS

General Description

The Series 2018 Bonds are issuable only as fully registered bonds without coupons in denominations of \$5,000 and any integral multiple thereof, except as otherwise provided in the Indenture. The Series 2018 Bonds will initially be offered 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; provided, however, the limitation of the initial offering to accredited investors does not denote restrictions on transfer in any secondary market for the Series 2018 Bonds. See "SUITABILITY FOR INVESTMENT" herein.

Each Series 2018 Bond shall be dated the date of original issuance thereof. Interest on the Series 2018 Bonds shall be payable from the most recent Interest Payment Date next preceding the date of authentication thereof to which interest has been paid, unless the date of authentication thereof is a May 1 or November 1 to which interest has been paid, in which case from such date of authentication, or unless the date of authentication thereof is prior to November 1, 2018, in which case from the date of original issuance of the Series 2018 Bonds, or unless the date of authentication thereof is between a Record Date and the next succeeding Interest Payment Date, in which case from such Interest Payment Date. Interest on the Series 2018 Bonds shall be due and payable on each May 1 and November 1, commencing November 1, 2018 and shall be computed on the basis of a 360-day year of twelve 30-day months.

The Series 2018 Bonds will be initially issued in the form of a separate single fully registered certificate for each maturity of the Series 2018 Bonds. Upon initial issuance, the ownership of the Series 2018 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. During the period for which Cede & Co. is registered owner of the Series 2018 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). See "– Book-Entry System" herein for more information regarding DTC and its book-entry system.

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 Series 2018 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 Series 2018 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 Series 2018 Bond.

U.S. Bank National Association is initially serving as the Trustee, Registrar and Paying Agent for the Series 2018 Bonds.

Redemption Provisions

Optional Redemption

The Series 2018 Bonds may, at the option of the District, be called for redemption prior to maturity in whole or in part at any time on or after May 1, 2028 (less than all Series 2018 Bonds to be selected by lot), at a Redemption Price equal to 100% of the principal amount of Series 2018 Bonds to be redeemed plus accrued interest from the most recent Interest Payment Date to the redemption date from moneys on deposit in the Series 2018 Prepayment Account.

Mandatory Sinking Fund Redemption

The Series 2018 Bonds maturing on November 1, 20__ are subject to mandatory sinking fund redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2018 Sinking Fund Account established under the Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on November 1 of the years and in the principal amounts set forth below:

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

* Maturity.

The Series 2018 Bonds maturing on November 1, 20__ are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2018 Sinking Fund Account established under the Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on November 1 of the years and in the principal amounts set forth below:

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

The Series 2018 Bonds maturing on November 1, 20__ are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2018 Sinking Fund Account established under the Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on November 1 of the years and in the principal amounts set forth below:

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

Extraordinary Mandatory Redemption

The Series 2018 Bonds are subject to extraordinary mandatory redemption prior to maturity by the District in whole or in part, on any date, at a Redemption Price equal to 100% of the principal amount of the Series 2018 Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

(i) from Series 2018 Prepayment Principal deposited into the Series 2018 Prepayment Account of the Series 2018 Bond Redemption Fund following the payment in whole or in part of Series 2018 Special Assessments on any assessable property within District Lands in accordance with the provisions of the Second Supplemental Indenture;

(ii) from moneys, if any, on deposit in the Series 2018 Funds, Accounts and Subaccounts in the Funds and Accounts (other than the Series 2018 Rebate Fund and the Series 2018 Acquisition and Construction Account) sufficient to pay and redeem all Outstanding Series 2018 Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the Master Indenture; and

(iii) upon the Completion Date, from any funds remaining on deposit in the Series 2018 Acquisition and Construction Account not otherwise reserved to complete the Series 2018 Project and transferred to the Series 2018 General Account.

Notice of Redemption

The Trustee shall cause notice of the redemption, either in whole or in part, to be mailed at least thirty (30) but not more than sixty (60) days prior to the redemption or purchase date to all Owners of Series 2018 Bonds to be redeemed or purchased (as such Owners appear on the Bond Register on the fifth (5th) day prior to such mailing), at their registered addresses, but failure to mail any such notice or defect in the notice or in the mailing thereof shall not affect the validity of the redemption or purchase of the Series 2018 Bonds for which notice was duly mailed in accordance with the Indenture.

Book-Entry System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2018 Bonds. The Series 2018 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2018 Bond certificate will be issued for each maturity of the Series 2018 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

Purchases of Series 2018 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2018 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2018 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2018 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 Series 2018 Bonds, except in the event that use of the book-entry system for the Series 2018 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2018 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 Series 2018 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2018 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2018 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2018 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2018 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2018 Bond documents. For example, Beneficial Owners of Series 2018 Bonds may wish to ascertain that the nominee holding the Series 2018 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2018 Bonds within a series or maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such series or maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2018 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 Series 2018 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2018 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 Trustee, 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, 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 dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Trustee, 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.

A Beneficial Owner shall give notice to elect to have its Series 2018 Bonds purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Series 2018 Bonds by causing the Direct Participant to transfer the Participant's interest in the Series 2018 Bonds, on DTC's records, to the Trustee. The requirement for physical delivery of Series 2018 Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2018 Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Series 2018 Bonds to the Trustee's DTC account.

DTC may discontinue providing its services as depository with respect to the Series 2018 Bonds at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2018 Bond certificates are required to be printed and delivered.

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

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

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SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2018 BONDS

General

THE SERIES 2018 BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY OUT OF THE SERIES 2018 PLEDGED REVENUES PLEDGED THEREFOR UNDER THE INDENTURE AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE DISTRICT, THE COUNTY, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE SERIES 2018 BONDS, EXCEPT THAT THE DISTRICT IS OBLIGATED UNDER THE INDENTURE TO LEVY, AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, SPECIAL ASSESSMENTS TO SECURE AND PAY THE SERIES 2018 BONDS. THE SERIES 2018 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT, THE COUNTY, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

The Series 2018 Bonds will be secured by a pledge of the Series 2018 Pledged Revenues. "Series 2018 Pledged Revenues" shall mean with respect to the Series 2018 Bonds (a) all revenues received by the District from Special Assessments (as defined in the Master Indenture) levied and collected on the District Lands benefited by the Series 2018 Project, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Special Assessments or from the issuance and sale of tax certificates with respect to such Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Indenture; provided, however, that Series 2018 Pledged Revenues shall not include (A) any moneys transferred to the Rebate Fund, or investment earnings thereon and (B) "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance special assessments" levied and collected by the District under Section 190.021(3) of the Act (it being expressly understood that the lien and pledge of the Indenture shall not apply to any of the moneys described in the foregoing clauses (A) and (B) of this proviso).

The Series 2018 Special Assessments consist of the non-ad valorem special assessments imposed and levied by the District against the District Lands specially benefited by the Series 2018 Project or any portion thereof, corresponding in amount to the debt service on the Series 2018 Bonds and designated as such in the Assessment Methodology (as defined herein) relating thereto. The Series 2018 Special Assessments are levied pursuant to Section 190.022 of the Act, resolutions of the District adopted prior to delivery of the Series 2018 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"). The Assessment Methodology, which describes the methodology for allocating the Series 2018 Special Assessments to the assessable lands within the District, is included as APPENDIX D hereto.

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 Series 2018 Special Assessments will constitute a lien against the land as to which the Series 2018 Special Assessments are imposed. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" herein.

Covenant to Levy the Series 2018 Special Assessments

The District has covenanted to levy the Series 2018 Special Assessments to the extent and in an amount sufficient to pay debt service on the Series 2018 Bonds. If any Series 2018 Special 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 Series 2018 Special Assessment is so irregular or defective that the same cannot be enforced or collected, or if the District shall have omitted to make such Series 2018 Special Assessment when it might have done so, the District has additionally covenanted to either (i) take all necessary steps to cause a new Series 2018 Special Assessment to be made for the whole or any part of such improvement or against any property benefited by such improvement; or (ii) in the District's sole discretion, make up the amount of such Series 2018 Special Assessment from legally available moneys, which moneys shall be deposited into the 2018 Revenue Account. In case such subsequent assessment shall also be annulled, the District shall obtain and make other Series 2018 Special Assessments until a valid Series 2018 Special Assessment shall be made.

Prepayment of Series 2018 Special Assessments

[Pursuant to the Assessment Proceedings, the owner of property subject to the Series 2018 Special Assessments may prepay the entire remaining balance of Series 2018 Special Assessments at any time, or a portion of the remaining balance of the Series 2018 Special Assessments one time if there is also paid, in addition to the prepaid principal balance of the Series 2018 Special Assessment, an amount equal to the interest that would otherwise be due on such prepaid amount on the next succeeding interest payment date for the Series 2018 Bonds, or, if prepaid during the forty-five (45) day period preceding such interest payment date, to the interest payment date following such next succeeding interest payment date.]

Pursuant to the terms of the Act and the Assessment Proceedings, the owner of property subject to Series 2018 Special Assessments may pay the entire balance of the Series 2018 Special Assessments remaining due, without interest, within thirty (30) days after the Series 2018 Project has been completed and the Board has adopted a resolution accepting the Series 2018 Project as provided by Section 170.09, Florida Statutes. The Developer will waive this right for itself and its successors and assigns in connection with the issuance of the Series 2018 Bonds. Such waiver will be recorded in the public records of the County.

All Series 2018 Prepayment Principal is to be deposited to the Series 2018 Prepayment Account and shall be applied to the extraordinary mandatory redemption of a portion of the Series 2018 Bonds as indicated under "DESCRIPTION OF THE SERIES 2018 BONDS – Redemption Provisions – Extraordinary Mandatory Redemption." The prepayment of Series 2018 Special Assessments does not entitle the owner of the property to a discount for early payment.

Additional Bonds

In the Indenture, the District will covenant not to issue any other Bonds or other debt obligations secured by Series 2018 Special Assessments levied against the assessable lands within the District to finance any capital Project. Such covenant shall not prohibit the District from issuing refunding bonds. In addition, the District will covenant not to issue any Bonds or other debt obligations for other capital Projects located in or outside the District unless the Series 2018 Special Assessments are Substantially Absorbed. "Substantially Absorbed" shall mean the date on which a principal amount of the Series 2018 Special Assessments equaling at least ninety percent (90%) of the then Outstanding principal amount of the Series 2018 Bonds are levied on the District Lands that have been built, sold and closed to residential end users; provided that for purposes of this definition, an end user shall mean any Person other than the Developer that is the owner of a built or vertically constructed residential unit. The District shall present the Trustee with a certification that Series 2018 Special Assessments are Substantially Absorbed, and the Trustee may rely conclusively upon such certification and shall have no duty to verify if the Series 2018 Special Assessments are Substantially Absorbed. In the absence of such written certification, the Trustee is entitled to assume that the relevant assessments have not been Substantially Absorbed. Nothing in the

Indenture shall restrict the District from issuing additional bonds or other debt obligations for District Lands outside of the District Lands subject to the Series 2018 Special Assessments, provided that such additional bonds or other debt obligations are not secured by Special Assessments on lands subject to the Series 2018 Special Assessments.

The District and other public entities may impose taxes or other special assessments on the same properties encumbered by the Series 2018 Special Assessments without the consent of the Owners of the Series 2018 Bonds. 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 Series 2018 Special Assessments, on the same lands upon which the Series 2018 Special Assessments to fund a portion of the maintenance and operation costs of the District. See "BONDOWNERS' RISKS" and "THE CAPITAL IMPROVEMENT PROGRAM AND THE SERIES 2018 PROJECT" herein.

Covenant Against Sale or Encumbrance

In the Master Indenture, the District has covenanted that, (a) except for those improvements comprising a Project that are to be conveyed by the District to the County, the State Department of Transportation or another governmental entity, as to which no assessments of the District will be imposed and (b) except as permitted in the Master Indenture, the District will not sell, lease or otherwise dispose of or encumber a Project, or any part thereof.

Series 2018 Acquisition and Construction Account

The Second Supplemental Indenture establishes a separate account within the Acquisition and Construction Fund designated as the "Series 2018 Acquisition and Construction Account." The amounts in Series 2018 Acquisition and Construction Account, until applied as provided in the Indenture, shall be held for the security of the Series 2018 Bonds. Proceeds of the Series 2018 Bonds shall be deposited into the Series 2018 Acquisition and Construction Account in the amount set forth in the Second Supplemental Indenture, together with any moneys transferred thereto, and such moneys shall be applied to pay the Cost of the Series 2018 Project, as set forth in the Indenture. Upon receipt by the Trustee of a fully executed requisition in the form and substance required by the Indenture, the Trustee shall promptly withdraw from the Series 2018 Acquisition and Construction Account and pay to the person, firm or corporation named in such requisition the amount designated in such requisition.

On the date of completion of the Series 2018 Project or if sufficient moneys are retained in the Series 2018 Acquisition and Construction Account to complete the Cost of the Series 2018 Project, then in either case, as evidenced by the delivery of a Certificate of the Consulting Engineer and adoption of a resolution by the Board accepting the Project as provided by Section 170.09, Florida Statutes, as amended (the "Completion Date"), the balance in the Series 2018 Acquisition and Construction Account not reserved by the District for the payment of any remaining part of the Cost of the Series 2018 Project shall be transferred by the Trustee to, and deposited in, the Series 2018 General Account within the Bond Redemption Fund and applied as provided in the Indenture.

Series 2018 Debt Service Reserve Account

The Indenture establishes a Series 2018 Debt Service Reserve Account within the Debt Service Reserve Fund. The Series 2018 Debt Service Reserve Account will, at the time of delivery of the Series 2018 Bonds, be funded in an amount equal to the Debt Service Reserve Account Requirement. The Debt Service Reserve Account Requirement means \$ _____, which is an amount equal to _____ percent [__%] of the maximum annual Debt Service Requirements for the Outstanding Series 2018

Bonds calculated as of the date of issuance, and subsequently recalculated as provided in the Second Supplemental Indenture.

On each March 15 and September 15 (or, if such date is not a Business Day, on the Business Day next preceding such day), the Trustee shall determine the amount on deposit in the Series 2018 Debt Service Reserve Account and transfer any excess therein above the Debt Service Reserve Requirement for the Series 2018 Bonds that is caused by investment earnings and/or a Prepayment of Series 2018 Special Assessments pursuant to the Second Supplemental Indenture, to the Series 2018 Revenue Account in accordance with the Indenture.

Deposit and Application of the Series 2018 Pledged Revenues

The Indenture establishes a Series 2018 Revenue Account within the Revenue Fund. Series 2018 Special Assessments (except for Prepayments of Series 2018 Special Assessments, which shall be identified as such by the District to the Trustee and deposited in the Series 2018 Prepayment Account) shall be deposited by the Trustee into the Series 2018 Revenue Account which shall be applied as set forth in the Indenture. The Trustee shall transfer from amounts on deposit in the Series 2018 Revenue Account to the Funds and Accounts designated below, the following amounts, at the following times and in the following order of priority:

FIRST, upon receipt but no later than the Business Day next preceding each Interest Payment Date, commencing [____] 1, 20__, to the Series 2018 Interest Account, an amount from the Series 2018 Revenue Account equal to the interest on the Series 2018 Bonds becoming due on the next succeeding Interest Payment Date, less any amount on deposit in the Series 2018 Interest Account not previously credited; provided, however the Trustee shall first use the amounts on deposit in the Series 2018 Capitalized Interest Account to pay interest on each Interest Payment Date, before transferring any funds from the Series 2018 Revenue Account to the Series 2018 Interest Account for the purpose set forth in this FIRST paragraph;

SECOND, no later than the Business Day next preceding each November 1, commencing November 1, 20__, to the Series 2018 Sinking Fund Account, an amount from the Series 2018 Revenue Account equal to the principal amount of Series 2018 Bonds subject to sinking fund redemption on such November 1, less any amount on deposit in the Series 2018 Sinking Fund Account not previously credited;

THIRD, upon receipt but no later than the Business Day next preceding each Interest Payment Date while Series 2018 Bonds remain Outstanding, to the Series 2018 Reserve Account, an amount from the Series 2018 Revenue Account equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Debt Service Reserve Requirement for the Series 2018 Bonds; and

FOURTH, notwithstanding the foregoing, at any time the Series 2018 Bonds are subject to redemption on a date which is not a May 1 or November 1 Interest Payment Date, the Trustee shall be authorized to transfer from the Series 2018 Revenue Account to the Series 2018 Interest Account, the amount necessary to pay interest on the Series 2018 Bonds subject to redemption on such date; and

FIFTH, subject to the foregoing paragraphs, the balance of any moneys remaining after making the foregoing deposits shall be first deposited into the Series 2018 Costs of Issuance Account to cover any deficiencies in the amount allocated to pay the cost of issuing the Series 2018 Bonds and next, any balance in the Series 2018 Revenue Account shall remain on deposit in such Series 2018 Revenue Account, unless pursuant to the Arbitrage Certificate, it is necessary to make a deposit into the Series 2018 Rebate Fund, in which case, the District shall direct the Trustee to make such deposit thereto.

Investments

The Trustee shall, as directed by the District in writing, invest moneys held in Series 2018 Debt Service Fund and the Series 2018 Bond Redemption Fund created under the Second Supplemental Indenture only in Government Obligations and certain types of Investment Securities. Except to the extent otherwise provided in the Indenture, the Trustee shall, as directed by the District in writing, invest moneys held in any Series 2018 Debt Service Reserve Fund in Investment Securities. All deposits in time accounts shall be subject to withdrawal without penalty and all investments shall mature or be subject to redemption by the holder without penalty, not later than the date when the amounts will foreseeably be needed for purposes set forth in the Indenture. All securities securing investments under this paragraph shall be deposited with a Federal Reserve Bank, with the trust department of the Trustee, as authorized by law with respect to trust funds in the State, or with a bank or trust company having a combined net capital and surplus of not less than \$50,000,000. The interest and income received upon such investments and any interest paid by the Trustee or any other depository of any Fund or Account and any profit or loss resulting from the sale of securities shall be added or charged to the Fund or Account for which such investments are made; provided, however, that if the amount in any Fund or Account equals or exceeds the amount required to be on deposit therein, subject to the Indenture, any interest and other income so received shall be deposited in the Series 2018 Revenue Account.

Collateral Assignment and Assumption of Development and Contract Rights

[As a condition precedent to the issuance of the Series 2018 Bonds, and as an inducement for the Bondholders to purchase the Series 2018 Bonds, the Developer will execute and deliver to the District a Collateral Assignment and Assumption of Development Rights (the "Collateral Assignment"), pursuant to which the Developer will collaterally assign to the District, to the extent assignable and to the extent that they are owned or controlled by the Developer and have not been conveyed to third parties as of the date hereof, and subject to the limitations set forth below, all of its development rights relating to the development of the Series 2018 Project and the infrastructure necessary to develop the second phase of the Development and the Developer's rights as declarant of the homeowners' association with respect to the property owned by the Developer (collectively, the "Development Rights"), as security for the Developer's payment and performance and discharge of its obligation to pay the Series 2018 Special Assessments levied against the District Lands owned by Developer from time to time. The Development Rights include the following as they pertain to the development of the assessable lands within the District subject to the Series 2018 Special Assessments: (a) zoning approvals, density approvals and entitlements, concurrency and capacity certificates and development agreements; (b) engineering and construction plans and specifications for grading, roadways, site drainage, storm water drainage, signage, water distribution, waste water collection, recreational facilities, and other improvements; (c) preliminary and final site plans and plats; (d) architectural plans and specifications for buildings and other improvements constituting a part of the Series 2018 Project; (e) permits, approvals, resolutions, variances, licenses, and franchises granted by governmental authorities, or any of their respective agencies, for or affecting the development within the Property and construction of improvements thereon or off-site to the extent such off-site improvements are necessary or required to develop the second phase of the Development; (f) contracts with engineers, architects, land planners, landscape architects, consultants, contractors, and suppliers for or relating to the construction of the second phase of development of the District Lands or the construction of improvements thereon; and (g) all future creations, changes, extensions, revisions, modifications, substitutions, and replacements of any of the foregoing. The Development Rights specifically exclude any portion of the Development Rights listed above which relate solely to (i) lots conveyed to unaffiliated homebuilders or residential end-users, (ii) any property which has been conveyed to third parties as of the date hereof, or (iii) any property which has been conveyed, or is in the future conveyed, to the County, the District, any utility provider, governmental or quasi-governmental entity, any homeowners' or other property owners' association or other governing entity or association as may be

required by applicable permits, approvals, plats, entitlements or regulations affecting the District lands, if any.]

Notwithstanding the above provisions to the contrary, in the event the District forecloses on the lands subject to either the Series 2018 Special Assessments as a result of the Developer's or a subsequent landowner's failure to pay such assessments, there is a risk that the District will not have all permits and entitlements necessary to complete the Series 2018 Project and other infrastructure development in Parcel 1 of the Development.

Indenture Provisions Relating to Bankruptcy or Insolvency of Landowner

For purposes of this section, (a) Series 2018 Bonds secured by and payable from Series 2018 Special Assessments levied against property owned by any Insolvent Taxpayer (defined below) are collectively referred to herein as the "Affected Bonds" and (b) the Series 2018 Special Assessments levied against any Insolvent Taxpayer's property and pledged under the Second Supplemental Indenture as security for the Affected Bonds are collectively referred to herein as the "Affected Special Assessments". The Indenture contains the following provisions which, pursuant to the Indenture, shall be applicable both before and after the commencement, whether voluntary or involuntary, of any case, proceeding or other action by or against any owner of any tax parcel subject to the Affected Special 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 Affected Bonds remain Outstanding, in any Proceeding involving the District, any Insolvent Taxpayer, the Affected Bonds or the Affected Special Assessments, the District shall be obligated to act in accordance with any direction from the Trustee with regard to all matters directly or indirectly affecting at least three percent (3%) of the Outstanding aggregate principal amount of the Affected Bonds or for as long as any Affected Bonds remain Outstanding, in any proceeding involving the District, any Insolvent Taxpayer, the Affected Bonds or the Affected Special Assessments or the Trustee. The District will agree in the Indenture 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.

In the Indenture, the District acknowledges and agrees that, although the Affected Bonds were issued by the District, the Owners of the Affected 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 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 Affected Special Assessments, the Affected Bonds or any rights of the Trustee under the Indenture; (b) the District 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 Affected Special Assessments, the Affected Bonds or any rights of the Trustee under the Indenture that is inconsistent with any direction from the Trustee; (c) the Trustee shall have the right, but is not obligated to, (i) vote in any such Proceeding any and all claims of the District, or (ii) file any motion, pleading, plan or objection in any such Proceeding on behalf of the District, including without limitation, motions seeking relief from the automatic stay, dismissal the Proceeding, valuation of the property belonging to the Insolvent Taxpayer, termination of exclusivity, and objections to disclosure statements, plans of liquidation or reorganization, and motions for use of cash collateral, seeking approval of sales or post-petition financing. If the Trustee chooses to exercise any such rights, the District shall be deemed to have appointed the Trustee as its agent and granted to the Trustee an irrevocable power of attorney coupled

with an interest, and its proxy, for the purpose of exercising any and all rights and taking any and all actions available to the District in connection with any Proceeding of any Insolvent Taxpayer, including without limitation, the right to file and/or prosecute any claims, to propose and prosecute a plan, to vote to accept or reject a plan, and to make any election under Section 1111(b) of the Bankruptcy Code and (d) the District shall not challenge the validity or amount of any claim submitted in such Proceeding by the Trustee in good faith or any valuations of the lands owned by any Insolvent Taxpayer submitted by the Trustee in good faith in such Proceeding or take any other action in such Proceeding, which is adverse to Trustee's enforcement of the District claim and rights with respect to the Affected Special Assessments or receipt of adequate protection (as that term is defined in the Bankruptcy Code). Without limiting the generality of the foregoing, the District agrees in the Indenture that the Trustee shall have the right (i) to file a proof of claim with respect to the Affected Special Assessments, (ii) to deliver to the District a copy thereof, together with evidence of the filing with the appropriate court or other authority, and (iii) to defend any objection filed to said proof of claim. See "BONDOWNERS' RISKS – Bankruptcy Risks" 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 Series 2018 Bonds:

(a) if payment of any installment of interest on any Series 2018 Bond is not made when it becomes due and payable; or

(b) if payment of the principal or Redemption Price of any Series 2018 Bond is not made when it becomes due and payable at maturity or upon call or presentation for redemption; or

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

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

(e) if the District defaults in the due and punctual performance of any other covenant in the Indenture or in the Series 2018 Bonds and such default continues for sixty (60) days after written notice requiring the same to be remedied shall have been given to the District by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Holders of not less than a majority in aggregate principal amount of the Outstanding Series 2018 Bonds; provided, however, that if such performance requires work to be done, actions to be taken, or conditions to be remedied, which by their nature cannot reasonably be done, taken or remedied, as the case may be, within such sixty (60) day period, no Event of Default shall be deemed to have occurred or exist if, and so long as the District shall commence such performance within such sixty (60) day period and shall diligently and continuously prosecute the same to completion; or

(f) if at any time the amount in the Series 2018 Debt Service Reserve Account is less than the Series 2018 Debt Service Reserve Requirement as a result of the Trustee withdrawing an amount

therefrom to satisfy the Debt Service Requirement on the Series 2018 Bonds and such amount has not been restored within thirty (30) days of such withdrawal; or

(h) if on an Interest Payment Date the amount in the Series 2018 Interest Account or the Series 2018 Sinking Fund Account, as the case may be, is insufficient to pay all amounts payable on the Series 2018 Bonds on such Interest Payment Date (without regard to any amount available for such purpose in the Series 2018 Debt Service Reserve Account); and

(i) more than twenty percent (20%) of the "maintenance special assessments" levied by the District on the District Lands upon which the Series 2018 Special Assessments are levied to secure Series 2018 Bonds pursuant to Section 190.021(3), Florida Statutes, as amended, and collected directly by the District have become due and payable and have not been paid, when due.

The Trustee shall not be required to rely on any official action, admission or declaration by the District before recognizing that an Event of Default under (c) above has occurred.

No Series of Bonds issued under the Master Indenture shall be subject to acceleration. Upon occurrence and continuance of an Event of Default, no optional redemption or extraordinary mandatory redemption of the Series 2018 Bonds shall occur unless all of the Series 2018 Bonds will be redeemed or if 100% of the Holders of such Series 2018 Bonds agree to such redemption; provided however nothing in the Indenture shall prevent a pro rata default distribution pursuant to the Indenture.

If any Event of Default has occurred and is continuing, the Trustee, in its discretion may, and upon the written request of the Holders of not less than a majority of the aggregate principal amount of the Outstanding Series 2018 Bonds and receipt of indemnity to its satisfaction shall, in its own name:

(a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Holders of the Series 2018 Bonds, including, without limitation, the right to require the District to carry out any agreements with, or for the benefit of, the Bondholders of the Series 2018 Bonds and to perform its or their duties under the Act;

(b) bring suit upon the Series 2018 Bonds;

(c) by action or suit in equity require the Issuer to account as if it were the trustee of an express trust for the Holders of the Series 2018 Bonds;

(d) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of the Series 2018 Bonds; and

(e) by other proceeding in law or equity, exercise all rights and remedies provided for by any other document or instrument securing such Series 2018 Bonds.

No Bondholder shall have any right to pursue any remedy hereunder unless (a) the Trustee shall have been given written notice of an Event of Default, (b) the Holders of at least a majority of the aggregate principal amount of the Outstanding Series 2018 Bonds shall have requested the Trustee, in writing, to exercise the powers hereinabove granted or to pursue such remedy in its or their name or names, (c) the Trustee shall have been offered indemnity satisfactory to it against costs, expenses and liabilities (including attorneys' fees, costs and expenses), and (d) the Trustee shall have failed to comply with such request within a reasonable time. Subject to the above, the Holders of a majority in aggregate principal amount of the Outstanding Series 2018 Bonds then subject to remedial proceedings under the Indenture shall have the right to direct the method and place of conducting all remedial proceedings by

the Trustee under the Indenture, provided that such directions shall not be otherwise than in accordance with law or the provisions of the Indenture.

ENFORCEMENT OF ASSESSMENT COLLECTIONS

General

The primary source of payment for the Series 2018 Bonds is the Series 2018 Special Assessments imposed on certain lands in the District specially benefited by the Series 2018 Project pursuant to the Assessment Proceedings. See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" herein and "APPENDIX D: ASSESSMENT METHODOLOGY."

The determination, order, levy, and collection of Series 2018 Special Assessments must be done in compliance with procedural requirements and guidelines provided by State law. Failure by the District, the Collier County Tax Collector (the "Tax Collector") or the Collier County Property Appraiser (the "Property Appraiser") to comply with such requirements could result in delay in the collection of, or the complete inability to collect, Series 2018 Special Assessments during any year. Such delays in the collection of Series 2018 Special Assessments, or complete inability to collect Series 2018 Special Assessments, would have a material adverse effect on the ability of the District to make full or punctual payment of the debt service requirements on the Series 2018 Bonds. See "BONDOWNERS' RISKS." To the extent that landowners fail to pay the Series 2018 Special Assessments, delay payments, or are unable to pay the same, the successful pursuance of collection procedures available to the District is essential to continued payment of principal of and interest on the Series 2018 Bonds. The Act provides for various methods of collection of delinquent Series 2018 Special Assessments by reference to other provisions of the Florida Statutes. The following is a description of certain statutory provisions of assessment payment and collection procedures appearing in the Florida Statutes but is qualified in its entirety by reference to such statutes.

Alternative Uniform Tax Collection Procedure for Series 2018 Special Assessments

The Florida Statutes provide that, subject to certain conditions, non-ad valorem special assessments (such as the Series 2018 Special 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 providing for the Series 2018 Special 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 Series 2018 Special Assessments. The District's election to use a certain collection method with respect to the Series 2018 Special Assessments does not preclude it from electing to use another collection method in the future. See "—Foreclosure" below with respect to collection of delinquent assessments not collected pursuant to the Uniform Method.

If the Uniform Method of collection is used, the Series 2018 Special Assessments will be collected together with County, special district, and other ad valorem taxes and non-ad valorem assessments, all of which will appear on the tax bill (also referred to as a "tax notice") issued to each landowner in the District. The statutes relating to enforcement of ad valorem taxes and non-ad valorem assessments provide that such taxes and assessments become due and payable on November 1 of the year when assessed, or as soon thereafter as the certified Property Appraiser's tax roll is received by the Tax Collector, and constitute a lien upon the land from January 1 of such year until paid or barred by operation of law. Such taxes and assessments (including the Series 2018 Special 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 Series 2018 Special Assessments. Upon any receipt of moneys by the Tax Collector from the Series 2018 Special Assessments, such moneys will be delivered to the District, which will remit such Series 2018 Special Assessments to the Trustee for deposit to the 2018 Revenue Account within the Revenue Fund, except that any Prepayments of Series 2018 Special Assessments shall be deposited to the Series 2018 Bond Prepayment Account within the Bond Redemption Fund created under the Indenture and applied in accordance therewith.

All County, school and special district, including the District, ad valorem taxes, non-ad valorem special assessments, including the Series 2018 Special Assessments, and voter-approved ad valorem taxes levied to pay principal of and interest on bonds, are payable at one time, except for partial payment schedules as may be provided by Sections 197.374 and 197.222, Florida Statutes. Partial payments made pursuant to Sections 197.374 and 197.222, Florida Statutes, are distributed in equal proportion to all taxing districts and levying authorities applicable to that account. If a taxpayer does not make complete payment of the total amount, he or she cannot designate specific line items on his or her tax bill as deemed paid in full. In such cases, the Tax Collector does not accept such partial payment and the partial payment is returned to the taxpayer. Therefore, in the event the Series 2018 Special Assessments are to be collected pursuant to the Uniform Method, any failure to pay any one line item, would cause the Series 2018 Special Assessments to not be collected to that extent, which could have a significant adverse effect on the ability of the District to make full or punctual payment of the debt service requirements on the Series 2018 Bonds.

Under the Uniform Method, if the Series 2018 Special Assessments are paid during November when due or during the following three months, the taxpayer is granted a variable discount equal to 4% in November and decreasing one percentage point per month to 1% in February. All unpaid taxes and assessments become delinquent on April 1 of the year following assessment. The Tax Collector is required to collect the ad valorem taxes and non-ad valorem special assessments on the tax bill prior to April 1 and, after that date, to institute statutory procedures upon delinquency to collect such taxes and assessments through the sale of "tax certificates," as discussed below. Delay in the mailing of tax notices to taxpayers may result in a delay throughout this process.

Neither the District nor the Underwriter can give any assurance to the holders of the Series 2018 Bonds (1) that the past experience of the Tax Collector with regard to tax and special assessment delinquencies is applicable in any way to the Series 2018 Special Assessments, (2) that future landowners and taxpayers in the District will pay such Series 2018 Special Assessments, (3) that a market may exist in the future for tax certificates in the event of sale of such certificates for taxable units within the District, and (4) that the eventual sale of tax certificates for real property within the District, if any, will be for an amount sufficient to pay amounts due under the Resolution to discharge the lien of Series 2018 Special Assessments and all other liens that are coequal therewith.

Collection of delinquent Series 2018 Special Assessments under the Uniform Method is, in essence, based upon the sale by the Tax Collector of "tax certificates" and remittance of the proceeds of such sale to the District for payment of the Series 2018 Special Assessments due. In the event of a delinquency in the payment of taxes and assessments on real property, the landowner may, prior to the sale of tax certificates, pay the total amount of delinquent ad valorem taxes and non-ad valorem assessments plus the cost of advertising and the applicable interest charge on the amount of such delinquent taxes and assessments. If the landowner does not act, the Tax Collector is required to attempt to sell tax certificates on such property to the person who pays the delinquent taxes and assessments owing, penalties and interest thereon and certain costs, and who accepts the lowest interest rate per annum to be borne by the certificates (but not more than 18%). Tax certificates are sold by public bid. If there are no bidders, the tax certificate is issued to the County. The County is to hold, but not pay for, the tax

certificate with respect to the property, bearing interest at the maximum legal rate of interest (currently 18%). The Tax Collector does not collect any money if tax certificates are "struck off" (issued) to the County. The County may sell such certificates to the public at any time at the principal amount thereof plus interest at the rate of not more than 18% per annum and a fee. Proceeds from the sale of tax certificates are required to be used to pay taxes and assessments (including the Series 2018 Special Assessments), interest, costs and charges on the real property described in the certificate. The demand for such certificates is dependent upon various factors, which include the rate of interest that can be earned by ownership of such certificates and the underlying value of the land that is the subject of such certificates and which may be subject to sale at the demand of the certificate holder. Therefore, the underlying market value of the property within the District may affect the demand for certificates and the successful collection of the Series 2018 Special Assessments, which are the primary source of payment of the Series 2018 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 Series 2018 Special Assessments are being collected pursuant to the Uniform Method. In the event that the District, itself, directly levies and enforces, pursuant to Chapters 170 and 190, Florida Statutes, the collection of the Series 2018 Special Assessments levied on the land within the District, Chapter 170.10, Florida Statutes provides that upon the failure of any property owner to pay all or any part of the principal of a special assessment, including a Series 2018 Special Assessment, or the interest thereon, when due, the governing body of the entity levying the assessment is authorized to commence legal proceedings for the enforcement of the payment thereof, including commencement of an action in chancery, commencement of a foreclosure proceeding in the same manner as the foreclosure of a real estate mortgage 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 Series 2018 Special Assessments and the ability to foreclose the lien of such Series 2018 Special Assessments upon the failure to pay such Series 2018 Special Assessments may not be readily available or may be limited as such enforcement is dependent upon judicial action which is often subject to discretion and delay.

BONDOWNERS' RISKS

There are certain risks inherent in an investment in bonds issued by a public authority or governmental body in the State and secured by special assessments. Certain of these risks are described in other sections of this Limited Offering Memorandum. Certain additional risks are associated with the Series 2018 Bonds offered hereby and are set forth below. Prospective investors in the Series 2018 Bonds should have such knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of an investment in the Series 2018 Bonds and have the ability to bear the economic risks of such prospective investment, including a complete loss of such investment. This

section does not purport to summarize all risks that may be associated with purchasing or owning the Series 2018 Bonds, and prospective purchasers are advised to read this Limited Offering Memorandum in its entirety for a more complete description of investment considerations relating to the Series 2018 Bonds.

Concentration of Land Ownership

As of the date of delivery of the Series 2018 Bonds, the Developer owns all of the assessable District Lands that will be subject to the Series 2018 Special Assessments securing the Series 2018 Bonds. Payment of the Series 2018 Special Assessments is primarily dependent upon their timely payment by the Developer and the other future landowners of such lands in the District. Non-payment of the Series 2018 Special Assessments by any of the landowners would have a substantial adverse impact upon the District's ability to pay debt service on the Series 2018 Bonds. See "THE DEVELOPER" and "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2018 BONDS" herein.

Bankruptcy and Related Risks

In the event of the institution of bankruptcy or similar proceedings with respect to the Developer or any other owner of benefited property, delays could occur in the payment of debt service on the Series 2018 Bonds, as such bankruptcy could negatively impact the ability of: (i) the Developer and any other landowner to pay the Series 2018 Special Assessments; (ii) the Tax Collector to sell tax certificates in relation to such property with respect to the Series 2018 Special Assessments being collected pursuant to the Uniform Method; and (iii) the District to foreclose the lien of the Series 2018 Special Assessments not being collected pursuant to the Uniform Method. In addition, the remedies available to the Owners of the Series 2018 Bonds under the Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, the remedies specified by federal, state and local law and in the Indenture and the Series 2018 Bonds, including, without limitation, enforcement of the obligation to pay Series 2018 Special Assessments and the ability of the District to foreclose the lien of the Series 2018 Special Assessments if not being collected pursuant to the Uniform Method, may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2018 Bonds (including Bond Counsel's approving opinion) will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery. The inability, either partially or fully, to enforce remedies available with respect to the Series 2018 Bonds could have a material adverse impact on the interest of the Owners thereof.

A 2011 bankruptcy court decision in Florida held that the governing body of a community development district, and not the bondholders or indenture trustee, was the creditor of the landowners/debtors in bankruptcy with respect to claims for special assessments, and thus only the district could vote to approve or disapprove a reorganization plan submitted by the debtors in the case. The district voted in favor of the plan. The governing body of the district was at that time elected by the landowners rather than qualified electors. Under the reorganization plan that was approved, a two-year moratorium was placed on the debtor landowners' payment of special assessments. As a result of this non-payment of assessments, debt service payments on the district's bonds were delayed for two years or longer. The Indenture provides for the delegation of certain rights from the District to the Trustee in the event of a bankruptcy or similar proceeding with respect to an "Insolvent Taxpayer" (as previously defined). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2018 BONDS – Indenture Provisions Relating to Bankruptcy or Insolvency of a Landowner." The District cannot express any view whether such delegation would be enforceable.

Series 2018 Special Assessments Are Non-Recourse

The principal security for the payment of the principal and interest on the Series 2018 Bonds is the timely collection of the Series 2018 Special Assessments. The Series 2018 Special Assessments do not constitute a personal indebtedness of the landowners of the land subject thereto, but are secured by a lien on such land. There is no assurance that the Developer or subsequent landowners will be able to pay the Series 2018 Special Assessments or that they will pay such Series 2018 Special Assessments even though financially able to do so. Neither the Developer nor any other subsequent landowners have any personal obligation to pay the Series 2018 Special Assessments. Neither the Developer nor any subsequent landowners are guarantors of payment of any Series 2018 Special Assessments, and the recourse for the failure of the Developer or any subsequent landowner to pay the Series 2018 Special Assessments is limited to the collection proceedings against the land subject to such unpaid Series 2018 Special Assessments, as described herein. Therefore the likelihood of collection of the Series 2018 Special Assessments may ultimately depend on the market value of the land subject to the Series 2018 Special Assessments. While the ability of the Developer or subsequent landowners to pay the Series 2018 Special Assessments is a relevant factor, the willingness of the Developer or subsequent landowners to pay the Series 2018 Special Assessments, which may also be affected by the value of the land subject to the Series 2018 Special Assessments, is also an important factor in the collection of Series 2018 Special Assessments. The failure of the Developer or subsequent landowners to pay the Series 2018 Special Assessments could render the District unable to collect delinquent Series 2018 Special Assessments, if any, and provided such delinquencies are significant, could negatively impact the ability of the District to make the full or punctual payment of debt service on the Series 2018 Bonds.

Regulatory and Environmental Risks

The development of the District Lands is subject to comprehensive federal, state and local regulations and future changes to such regulations. Approval is required from various public agencies in connection with, among other things, the design, nature and extent of planned improvements, both public and private, and construction of the infrastructure in accordance with applicable zoning, land use and environmental regulations. Although all such approvals required to date have been received and any further approvals are anticipated to be received as needed, failure to obtain any such approvals in a timely manner could delay or adversely affect the completion of the development of the District Lands. See "THE DEVELOPMENT – Development Approvals" herein for more information.

The value of the land within the District, the success of the Development, the development of the District Lands subject to the Series 2018 Special Assessments, and the likelihood of timely payment of principal and interest on the Series 2018 Bonds could be affected by environmental factors with respect to the District Lands. Should the land be contaminated by hazardous materials, this could materially and adversely affect the value of land in the District, which could materially and adversely affect the success of the development of the District Lands and the likelihood of the timely payment of the Series 2018 Bonds. The District has not performed, nor has the District requested that there be performed on its behalf, any independent assessment of the environmental conditions within the District. See "THE DEVELOPMENT – Environmental" for information on environmental site assessments obtained or received. Nevertheless, it is possible that hazardous environmental conditions could exist within the District or in the vicinity of the District and that such conditions could have a material and adverse impact upon the value of the benefited lands within the District. No assurance can be given that unknown hazardous materials, protected animals or vegetative species, etc., do not currently exist or may not develop in the future, whether originating within the District or from surrounding property, and what effect such may have on the development or sale of the District Lands subject to the Series 2018 Special Assessments.

The value of the lands subject to the Series 2018 Special Assessments could also be adversely impacted by flooding or wind damage caused by hurricanes, tropical storms, or other catastrophic events. In addition to potential damage or destruction to any existing development or construction in or near the District, such catastrophic events could potentially render the District Lands unable to support future development. The occurrence of any such events could materially adversely impact the District's ability to pay principal and interest on the Series 2018 Bonds. The Series 2018 Bonds are not insured, and the District's casualty insurance policies do not insure against losses incurred on private lands within its boundaries.

Economic Conditions and Changes in Development Plans

The successful development of the District Lands subject to the Series 2018 Special Assessments and the sale of residential units therein, once such homes are built, may be affected by unforeseen changes in general economic conditions, fluctuations in the real estate market and other factors beyond the control of the Developer. Moreover, the Developer has the right to modify or change plans for development of the District Lands from time to time, including, without limitation, land use changes, changes in the overall land and phasing plans, and changes to the type, mix, size and number of units to be developed, and may seek in the future, in accordance with and subject to the provisions of the Act, to contract or expand the boundaries of the District.

Other Taxes and Assessments

The willingness and/or ability of an owner of benefited land to pay the Series 2018 Special Assessments could be affected by the existence of other taxes and assessments imposed upon such property by the District, the County or any other local special purpose or general purpose governmental entities. County, school, special district taxes and special assessments, and voter-approved ad valorem taxes levied to pay principal of and interest on debt, including the Series 2018 Special Assessments, collected pursuant to the Uniform Method are payable at one time. Public entities whose boundaries overlap those of the District could, without the consent of the owners of the land within the District, impose additional taxes on the property within the District. The District anticipates imposing operation and maintenance assessments encumbering the same property encumbered by the Series 2018 Special Assessments. In addition, lands within the District may also be subject to assessments by property and homeowner associations. See "THE DEVELOPMENT – Taxes, Fees and Assessments" for additional information.

Under Florida law, a landowner may contest the assessed valuation determined for its property that forms the basis of ad-valorem taxes such landowner must pay. During this contest period, the sale of a tax certificate under the Uniform Method will be suspended. If the Series 2018 Special Assessments are being collected along with ad valorem taxes pursuant to the Uniform Method, tax certificates will not be sold with respect to such Series 2018 Special Assessment, even though the landowner is not contesting the amount of the Series 2018 Special Assessment. However, Section 194.014, Florida Statutes, requires taxpayers challenging the assessed value of their property to pay all non-ad valorem taxes and at least 75% of their ad valorem taxes before they become delinquent. Likewise, taxpayers who challenge the denial of an exemption or classification or a determination that their improvements were substantially complete must pay all non-ad valorem assessments and the amount of ad valorem taxes that they admit in good faith to be owing. If a taxpayer fails to pay property taxes as set forth above, the Value Adjustment Board considering the taxpayer's challenge is required to deny such petition by written decision by April 20 of such year.

Limited Secondary Market for Series 2018 Bonds

The Series 2018 Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Series 2018 Bonds in the event an Owner thereof determines to solicit purchasers for the Series 2018 Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Series 2018 Bonds may be sold. Such price may be lower than that paid by the current Owners of the Series 2018 Bonds, depending on the progress of development of the District Lands subject to the Series 2018 Special Assessments, existing real estate and financial market conditions and other factors.

Inadequacy of Reserve Account

Some of the risk factors discussed herein, which, if materialized, would result in a delay in the collection of the Series 2018 Special Assessments, may not adversely affect the timely payment of debt service on the Series 2018 Bonds because of the Series 2018 Debt Service Reserve Account. The ability of the Series 2018 Debt Service Reserve Account to fund deficiencies caused by delinquencies in the Series 2018 Special Assessments is dependent on the amount, duration and frequency of such deficiencies. Moneys on deposit in the Series 2018 Debt Service Reserve Account may be invested in certain obligations permitted under the Indenture. Fluctuations in interest rates and other market factors could affect the amount of moneys in the Series 2018 Debt Service Reserve Account to make up deficiencies. If the District has difficulty in collecting the Series 2018 Special Assessments, the Series 2018 Debt Service Reserve Account could be rapidly depleted and the ability of the District to pay debt service on the Series 2018 Bonds could be materially adversely affected. In addition, during an Event of Default under the Indenture, the Trustee may withdraw moneys from the Series 2018 Debt Service Reserve Account and such other Funds, Accounts and subaccounts created under the applicable Indenture to pay its extraordinary fees and expenses incurred in connection with such Event of Default. If in fact the Series 2018 Debt Service Reserve Account is accessed for any purpose, the District does not have a designated revenue source for replenishing such account. Moreover, the District may not be permitted to re-assess real property then burdened by the Series 2018 Special Assessments in order to provide for the replenishment of the Series 2018 Debt Service Reserve Account. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2018 BONDS – Series 2018 Debt Service Reserve Account" herein for more information about the Series 2018 Debt Service Reserve Account.

Legal Delays

If the District should commence a foreclosure action against a landowner for nonpayment of Series 2018 Special Assessments, such landowner and/or its mortgagee(s) may raise affirmative defenses to such foreclosure action. Although the District expects that such affirmative defenses would likely be proven to be without merit, they could result in delays in completing the foreclosure action. In addition, the District is required under the Indenture to fund the costs of such foreclosure. It is possible that the District will not have sufficient funds and will be compelled to request the Holders of the Series 2018 Bonds 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 proceeds from the Series 2018 Bonds that can be used for such purpose.

IRS Examination and Audit Risk

The Internal Revenue Service (the "IRS") routinely examines bonds issued by state and local governments, including bonds issued by community development districts. In 2016, the IRS concluded its lengthy examination of certain issues of bonds (for purposes of this subsection, the "Audited Bonds") issued by Village Center Community Development District (the "Village Center CDD"). During the

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

On February 23, 2016, the IRS published proposed regulations designed to provide prospective guidance with respect to potential private business control of issuers by providing a new definition of political subdivision for purposes of determining whether an entity is an appropriate issuer of bonds the interest on which is excluded from gross income for federal tax purposes. The proposed regulations require that a political subdivision (i) have the power to exercise at least one sovereign power, (ii) be formed and operated for a governmental purpose, and (iii) have a governing body controlled by or have significant uses of its funds or assets otherwise controlled by a government unit with all three sovereign powers or by an electorate that is not controlled by an unreasonably small number of unrelated electors. On October 4, 2017, the Treasury Department ("Treasury") announced that it would withdraw the proposed regulations, stating that, "while Treasury and the IRS continue to study the legal issues relating to political subdivisions, Treasury and the IRS currently believe that these proposed regulations should be withdrawn in their entirety, and plan to publish a withdrawal of the proposed regulations shortly in the Federal Register. Treasury and the IRS may propose more targeted guidance in the future after further study of the relevant legal issues." Notice of withdrawal of the proposed regulations was published in the Federal Register on October 20, 2017.

It has been reported that the IRS has closed audits of other community development districts in Florida with no change to such districts' bonds' tax-exempt status, but has advised such districts that such districts must have public electors within five years of the issuance of tax-exempt bonds or their bonds may be determined to be taxable retroactive to the date of issuance. Pursuant to the Act, general elections are not held until the later of six years from the date of establishment of the community development district or the time at which there are at least 250 qualified electors in the district. The District, unlike Village Center CDD, was formed with the intent that it will contain a sufficient number of residents to allow for a transition to control by a general electorate. [Currently, all of the members of the Board of the District were elected by the landowners and none were elected by qualified electors.] The Developer will certify as to its expectations as to the timing of the transition of control of the Board of the District to

qualified electors pursuant to the Act, and its expectations as to compliance with the Act by any members of the Board that it elects. Such certification by the Developer does not ensure that such certification shall be determinative of, or may influence the outcome of any audit by the IRS, or any appeal from such audit, that may result in an adverse ruling that the District is not a political subdivision for purposes of Section 103(a) of the Code. Further, there can be no assurance that an audit by the IRS of [either Series of] the Series 2018 Bonds will not be commenced. The District has no reason to believe that any such audit will be commenced, or that any such audit, if commenced, would result in a conclusion of noncompliance with any applicable state or federal law.

Owners of the Series 2018 Bonds are advised that, if the IRS does audit the Series 2018 Bonds, under its current procedures, at least during the early stages of an audit, the IRS will treat the District as the taxpayer, and the Owners of the Series 2018 Bonds may have limited rights to participate in those proceedings. The commencement of such an audit could adversely affect the market value and liquidity of the Series 2018 Bonds until the audit is concluded, regardless of the ultimate outcome. In addition, in the event of an adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2018 Bonds, it is unlikely the District will have available revenues to enable it to contest such determination or enter into a voluntary financial settlement with the IRS. Further, an adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2018 Bonds would adversely affect the availability of any secondary market for the Series 2018 Bonds. Should interest on the Series 2018 Bonds become includable in gross income for federal income tax purposes, not only will Owners of Series 2018 Bonds be required to pay income taxes on the interest received on such Series 2018 Bonds and related penalties, but because the interest rate on such Series 2018 Bonds will not be adequate to compensate Owners of the Series 2018 Bonds for the income taxes due on such interest, the value of the Series 2018 Bonds may decline.

THE INDENTURE DOES NOT PROVIDE FOR ANY ADJUSTMENT IN THE INTEREST RATES ON THE SERIES 2018 BONDS IN THE EVENT OF AN ADVERSE DETERMINATION BY THE IRS WITH RESPECT TO THE TAX-EXEMPT STATUS OF INTEREST ON THE SERIES 2018 BONDS. PROSPECTIVE PURCHASERS OF THE SERIES 2018 BONDS SHOULD EVALUATE WHETHER THEY CAN OWN THE SERIES 2018 BONDS IN THE EVENT THAT THE INTEREST ON THE SERIES 2018 BONDS BECOMES TAXABLE AND/OR THE DISTRICT IS EVER DETERMINED TO NOT BE A POLITICAL SUBDIVISION FOR PURPOSES OF THE CODE AND/OR SECURITIES ACT (AS HEREINAFTER DEFINED).

Loss of Exemption from Securities Registration

Since the Series 2018 Bonds have not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws, because of the exemption for political subdivisions, if the District is ever deemed by the IRS, judicially or otherwise, not to be a political subdivision for purposes of the Code, it is possible that federal or state regulatory authorities could also determine that the District is not a political subdivision for purposes of the federal and state securities laws. Accordingly, the District and purchasers of Series 2018 Bonds may not be able to rely on the exemption from registration under the Securities Act relating to securities issued by political subdivisions. In that event, the Owners of the Series 2018 Bonds would need to ensure that subsequent transfers of the Series 2018 Bonds are made pursuant to a transaction that is not subject to the registration requirements of the Securities Act.

Federal Tax Reform

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are

similar to the Series 2018 Bonds. In some cases these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Series 2018 Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2018 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 Series 2018 Bonds. Prospective purchasers of the Series 2018 Bonds should consult their tax advisors as to the impact of any proposed or pending legislation as well as the impact of federal legislation enacted in December 2017. See also "TAX MATTERS."

State Tax Reform

It is impossible to predict what new proposals may be presented regarding ad valorem tax reform and/or community development districts during upcoming legislative sessions, whether such new proposals or any previous proposals regarding the same will be adopted by the Florida Senate and House of Representatives and signed by the Governor, and, if adopted, the form thereof. On October 31, 2014, the Auditor General of the State released a 31-page report which requests legislative action to establish parameters on the amount of bonds a community development district may issue and provide additional oversight for community development district bonds. This report renews requests made by the Auditor General in 2011 that led to the Governor of the State issuing an Executive Order on January 11, 2012 (the "Executive Order") directing the Office of Policy and Budget in the Executive Office of the Governor ("OPB") to examine the role of special districts in the State. As of the date hereof, the OPB has not made any recommendations pursuant to the Executive Order nor has the Florida legislature passed any related legislation. It is impossible to predict with certainty the impact that any existing or future legislation will or may have on the security for the Series 2018 Bonds. It should be noted that Section 190.16(14) of the Act provides in pertinent part that "The state pledges to the holders of any bonds issued under the Act that it will not limit or alter the rights of the district to levy and collect the ... assessments... and to fulfill the terms of any agreement made with the holders of such bonds ... and that it will not impair the rights or remedies of such holders."

Insufficient Resources or Other Factors Causing Failure to Complete the Series 2018 Project or the Construction of Homes within the District

The cost to finish the Series 2018 Project [will] exceed the net proceeds from the Series 2018 Bonds. There can be no assurance, in the event the District does not have sufficient moneys on hand to complete the Series 2018 Project, that the District will be able to raise, through the issuance of additional bonds or otherwise, the moneys necessary to complete the Series 2018 Project. Further, pursuant to the Indenture, the District will covenant not to issue any other Bonds or other debt obligations secured by Special Assessments on assessable lands within the District subject to the Series 2018 Special Assessments for any capital project until the Series 2018 Special Assessments are Substantially Absorbed. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2018 BONDS – Additional Bonds" for more information.

Although the Developer will agree to fund or cause to be funded the completion of the Series 2018 Project regardless of the insufficiency of proceeds from the Series 2018 Bonds and will enter into a completion agreement with the District as evidence thereof, there can be no assurance that the Developer will have sufficient resources to do so. Such obligation of the Developer is an unsecured obligation, and the Developer [is/are special-purpose entities] whose assets consist primarily of their respective interests in District Lands. See "THE DEVELOPER" herein for more information.

Further, there is a possibility that, even if District Lands subject to the Series 2018 Special Assessments are developed, the Builder[s] may not close on all or any of the lots there, and such failure to close could negatively impact the construction of homes on the District Lands subject to the Series 2018 Special Assessments. The Builder Contract[s] may also be terminated by the Builder[s] upon the occurrence or failure to occur of certain conditions set forth therein. See "THE DEVELOPMENT – Builder Contract[s]" herein for more information about the Builder[s] and the Builder Contract[s].

Payment of Series 2018 Special Assessments after Bank Foreclosure

In the event a bank forecloses on property because of a default on a mortgage on any of the assessable lands within the District, and then the bank itself fails, the Federal Deposit Insurance Corporation (the "FDIC"), as receiver, will then become the fee owner of such property. In such event, the FDIC will not, pursuant to its own rules and regulations, likely be liable to pay the Series 2018 Special Assessments levied on such property. In addition, the District would require the consent of the FDIC prior to commencing a foreclosure action.

[Remainder of page intentionally left blank.]

ESTIMATED SOURCES AND USES OF FUNDS

Source of Funds

Par Amount of Series 2018 Bonds	\$ _____
[Less: Net Original Issue Discount]	_____
 Total Sources	 \$ _____

Use of Funds

Deposit to Series 2018 Acquisition and Construction Account	\$ _____
Deposit to Series 2018 Debt Service Reserve Account	_____
Deposit to Series 2018 Capitalized Interest Account ⁽¹⁾	_____
Costs of Issuance, including Underwriter's Discount ⁽²⁾	_____
 Total Uses	 \$ _____

⁽¹⁾ Capitalized interest through and including _____ 1, 20____.

⁽²⁾ Costs of issuance includes, without limitation, legal fees and other costs associated with the issuance of the Series 2018 Bonds.

[Remainder of page intentionally left blank.]

DEBT SERVICE REQUIREMENTS

The following table sets forth the scheduled debt service on the District's Series 2018 Bonds:

Period (_____ 1)	<u>Principal</u>	<u>Interest</u>	Total Debt <u>Service</u>
---------------------	------------------	-----------------	------------------------------

*

TOTALS

* Final maturity of the Series 2018 Bonds.

THE DISTRICT

General Information

The District is located entirely within unincorporated Collier County (the "County") and encompasses approximately 688 gross acres of land. The District is coterminous with the Naples Reserve Planned Unit Development. The District is located on Naples Reserve Boulevard approximately 1.5 miles east of County Road 951 and 0.4 miles north of U.S. Highway 41. See "THE DEVELOPMENT" for more information regarding the development within and nearby the District.

The District was created and chartered by the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act") and was established by Ordinance No. 08-37 of the Board of County Commissioners of the County on July 22, 2008 (the "Ordinance").

Legal Powers and Authority

The District is an independent unit of local government created and chartered by, and established pursuant to, the Act. The Act was enacted in 1980 to provide a uniform method for the establishment of independent districts to manage the acquisition, construction, maintenance, operation and financing of 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 Series 2018 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 the Developer, and the expiration of the term of each member are set forth below:

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Donald Mears*	Chairperson	_____, 20__
Jim Moyle*	Vice Chairperson	_____, 20__
Joseph Davis	Assistant Secretary	_____, 20__
Robert Mulhere	Assistant Secretary	_____, 20__
Peter Rodino	Assistant Secretary	_____, 20__

[* Employee of an affiliate of the Developer]

A majority of the members of the Board constitutes a quorum for the purposes of conducting its business and exercising its powers and for all other purposes. Action taken by the District shall be upon a

vote of a majority of the members present unless general law or a rule of the District requires a greater number. All meetings of the Board are open to the public under Florida's open meeting or "Sunshine" law.

The District Manager and Other Consultants

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

The District has retained Wrathell, Hunt and Associates, LLC, to serve as the District Manager. The District Manager's office is located at 2300 Glades Road, Suite 410-W, Boca Raton, Florida 33431. Telephone number 561-571-0010. The District Manager will also serve as the Dissemination Agent for the Series 2018 Bonds.

The Act further authorizes the Board to hire such employees and agents as it deems necessary. The District has employed the services of Greenberg Traurig, P.A., Miami, Florida, as Bond Counsel; Hole Montes, Inc., Naples, Florida, as Consulting Engineer; and Coleman, Yovanovich & Koester, P.A., Naples, Florida, as District Counsel.

Outstanding Bond Debt

The District previously issued its \$7,680,000 Naples Reserve Community Development District Special Assessment Revenue Bonds, Series 2014, which are currently outstanding in the aggregate principal amount of \$_____ (the "Series 2014 Bonds"). The Series 2014 Bonds are secured by the Series 2014 Assessments levied on the first 498 residential lots platted within the District, which lands are separate and distinct from the District Lands that will be subject to the Series 2018 Special Assessments securing the Series 2018 Bonds. The Series 2014 Special Assessments are not available to pay debt service on the Series 2018 Bonds, and the Series 2018 Special Assessments will not be available to pay debt service on the Series 2014 Bonds.

[Remainder of page intentionally left blank.]

THE CAPITAL IMPROVEMENT PROGRAM AND THE SERIES 2018 PROJECT

In the "District Engineer's Report for Naples Reserve Community Development District" dated November 5, 2013 (the "Original Engineer's Report"), the District Engineer sets forth certain infrastructure improvements to be constructed in the District as part of the District's Capital Improvement Program (the "CIP") consisting of water, wastewater and irrigation utilities, earthwork and clearing and stormwater management facilities (collectively, the "CIP"). A portion of the District's CIP has been completed, as described below.

The District's plan of development calls for the District Lands to be developed in phases. The District previously issued its Series 2014 Bonds to fund a portion of the CIP associated with the first phase of development of the District Lands, which contain 497 platted residential units (the "Series 2014 Project"). See "THE DISTRICT – Outstanding Bonds" for more information regarding the Series 2014 Bonds. The Series 2014 Project [has been substantially completed]. See "THE DEVELOPMENT – Update on Prior Phase of the Development" for more information on the first phase of development of the District Lands.

The ["District Engineer's Report for Naples Reserve Community Development District" dated _____, 2018] (the "2018 Engineer's Report" [and, together with the Original Engineer's Report, the "Engineer's Report"]) describes the remaining portion of the CIP (the "Series 2018 Project"). The Series 2018 Project is estimated to have a cost of \$10,182,000 and is associated with the second phase of development of the District Lands, planned for 591 residential units, which are the lands that will be subject to the Series 2018 Special Assessments. The Engineer's Report breaks down the costs of the Series 2018 Project as follows:

<u>Item</u>	<u>Estimated Cost</u>
Utilities	\$1,476,300
Earthwork & Clearing	\$7,242,000
Stormwater Management	\$1,463,700

[The Developer estimates the total cost to develop the [second / remaining] phase of the District Lands, planned of 591 residential lots, to be approximately \$_____, consisting of the Series 2018 Project costs of approximately \$10 million, [together with approximately \$_____ for parcel infrastructure costs]]. As of _____, 2018, the Developer has spent approximately \$_____ toward development of the [second / remaining] phase of the District Lands. Net proceeds of the Series 2018 Bonds available to fund the Series 2018 Project are expected to be approximately \$7.65 million. The Developer will enter into a completion agreement at closing on the Series 2018 Bonds to complete the Series 2018 Project [and such other infrastructure necessary to complete development of the District Lands that subject to the Series 2018 Special Assessments]. See "BONDOWNERS' RISKS – Insufficient Resources or Other Factors Causing Failure to Complete the Series 2018 Project or the Construction of Homes within the District."

The District Engineer will certify at the closing of the issuance of the Series 2018 Bonds that all permits necessary to construct the Series 2018 Project as set forth in the Engineer's Report have been or will be received in the ordinary course. See "APPENDIX A: ENGINEER'S REPORT" and "THE DEVELOPMENT – Development Approvals" for a more detailed description of the entitlement and permitting status of the Development.

[Remainder of page intentionally left blank.]

ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS

The Master Special Assessment Methodology Report dated November 8, 2013, as supplemented by the Second Supplemental Special Assessment Methodology Report dated _____, 2018 (collectively, the "Assessment Methodology"), which allocate the Series 2018 Special Assessments to certain District Lands, have been prepared by Wrathell, Hund and Associates, LLC (the "Methodology Consultant"). See "EXPERTS" herein for more information. The Assessment Methodology is included herein as APPENDIX D. Once the final terms of the Series 2018 Bonds are determined, the Assessment Methodology will be supplemented to reflect such final terms. Once levied and imposed, the Series 2018 Special Assessments will be a first lien on the District Lands against which they are assessed, until paid or barred by operation of law, co-equal with other taxes and assessments levied by the District and other units of government. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" herein.

The Series 2018 Bonds are payable from and secured by a pledge of the Series 2018 Pledged Revenues, which consist primarily of revenues received by the District from the Series 2018 Special Assessments. The District initially will impose the Series 2018 Special Assessments across all of the District Lands, other than the lands subject to the Series 2014 Special Assessments, on an equal assessment per acre basis. At the time parcels are platted, the debt will be transferred from the acres to platted units in accordance with the Assessment Methodology. See "APPENDIX D: ASSESSMENT METHODOLOGY" for more information.

The Series 2018 Special Assessments are expected to be absorbed by the 591 residential units planned for the second phase of development of the District Lands. Upon platting of all of the residential units planned for the second phase of development of the District Lands, the estimated Series 2018 Special Assessments levied and allocated to platted units to pay debt service on the Series 2018 Bonds, and the estimated Series 2018 Bonds par per unit are expected to be as follows:

<u>Product Type</u>	<u>No. of Units</u>	<u>Total Par Per Unit*</u>	<u>Annual Assessment Per Unit*</u>
Villa	178	\$ 9,948	\$680
SF 53'	129	\$14,629	\$1,100
SF 64'	101	\$16,092	\$1,100
SF 78'	<u>183</u>	\$17,555	\$1,200
TOTAL:	591		

* Preliminary, subject to change. Annual assessments per unit collected via the Uniform Method will be subject to a gross up to include estimated County collection costs and statutory early payment discounts.

The District currently levies assessments to cover its operation and administrative costs in the amount of approximately \$____ annually, which amount is subject to change. The District Lands have been and are expected to be subject to taxes and assessments imposed by taxing authorities other than the District. In addition, exclusive of any voter approved millage levied for general obligation bonds, as to which no limit applies, the County and the School District of Collier County, Florida each levy ad valorem taxes upon the land in the District. These taxes would be payable in addition to the Series 2018 Special Assessments and any other assessments levied by the District. The District has no control over the level of ad valorem taxes and/or special assessments levied by other taxing authorities. The total millage rate applicable to the District Lands in 2017 was approximately 11.2772 mills. It is possible that in future years taxes levied by these other entities could be substantially higher in future years. See "THE DEVELOPMENT – Taxes, Fees and Assessments" for more information, including, without limitation, more information regarding the homeowners' association assessments.

The map below depicts the location of the District Lands and second phase of development thereof, which will be subject to the Series 2018 Special Assessments, as well as the location of the first phase of development, which is subject to the Series 2014 Special Assessments securing the Series 2014 Bonds.

[Map to come.]

[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 Series 2018 Special Assessments are no greater than the obligation of any other future landowner within the District subject to the Series 2018 Special 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 the Series 2018 Special Assessments is limited to the Developer's ownership interests in the land subject to such unpaid Series 2018 Special Assessments.

THE DEVELOPMENT

General Overview

The District is being developed as a planned residential community known as Naples Reserve (the "Development"), which is a 688 gross acre partially developed project that is expected to contain 1,154 single family homes at build out. The Development is located on Naples Reserve Boulevard approximately 1.5 miles east of County Road 951 and 0.4 miles north of U.S. 41 in the County. The Development is in an infill location generally surrounded by residential neighborhoods and retail and commercial establishments.

The Development is generally being developed in two phases. The District previously issued its Series 2014 Bonds in August 2014 to fund the development of the first phase of the District Lands, which have been platted and contain a total of 497 residential lots. See "- Update on Prior Phase of Development" for more information. The second phase of development, which upon full platting will absorb the Series 2018 Special Assessments, is planned for 591 residential units.

All of the District Lands that will be subject to the Series 2018 Special Assessments are owned either by SFI Naples Reserve LLC, a Delaware limited liability company [or Naples AW Holdco LLC, a Delaware limited liability company] ([collectively,] the "Developer"). See "THE DEVELOPER" herein for more information regarding the Developer.

[The Developer is installing the master and parcel infrastructure for the Development and plans to sell finished lots to homebuilders. The Developer has entered into a lot purchase agreement with _____ to sell _____ finished lots. See "Builder Contract and the Builder" below for more information.] Lot prices in the second phase of development range from approximately \$_____ to \$_____, depending upon lot size. Home prices are expected to start from the \$_____. See "-Lot Status and Residential Product Offerings" below for more information.

Update on Prior Phase of Development

The District previously issued its Series 2014 Bonds to fund the development of 498 residential units in the first phase of development of the District Lands (the "Prior Phase"). Development of the Prior Phase is [substantially complete]. [Ashton Woods and D.R. Horton] are constructing and marketing homes in the Prior Phase. As of _____, 2018, the Developer had closed on _____ finished lots in the Prior Phase, with an addition _____ lots under contract with homebuilders.

As of _____, 2018, the Developer has spent approximately \$_____ on development of the Prior Phase. The lands in the Prior Phase, which are subject to the Series 2014 Special Assessments securing the Series 2014 Bonds, are separate and distinct from the lands on which the Series 2018 Special Assessments are levied.

Land Acquisition

The Developer owns all of the land in the District that will be subject to the Series 2018 Special Assessments. All of the District Lands were acquired by one of the entities comprising the Developer, SFI Naples Reserve LLC, on August 23, 2010 through the assignment of a foreclosure judgment by its parent company iStar (as hereinafter defined). iStar foreclosed on a loan in the original principal amount of approximately \$64,000,000. SFI Naples Reserve LLC deeded 103.57 acres of land to its affiliate, Naples AW Holdco LLC, on December 16, 2013. See "THE DEVELOPER" herein for more information regarding the Developer entities. None of the lands in the District are currently subject to a mortgage.

Development Status and Finance Plan

Land development for the 591 residential units expected to absorb the Series 2018 Special Assessments has commenced. The first plat, containing 178 villa lots, was recorded on _____. The remaining lots in the second phase of development [will be platted at a later date based on demand; however, the Developer anticipates that] the remaining lots in the second phase of development will be platted by _____. The Developer anticipates that the Series 2018 Project will be complete _____, 20__ and all remaining parcel infrastructure for all of the 591 units in the second phase to be complete by _____.

The Developer estimates the total cost to develop the 591 residential units expected to absorb the Series 2018 Special Assessments will be approximately \$_____, consisting of the Series 2018 Project in amount of approximately \$10 million [for master infrastructure costs], [together with \$_____for parcel infrastructure costs]. As of _____, 2018, the Developer has spent approximately \$_____. Net proceeds of the Series 2018 Bonds in the amount of approximately \$7.65 million are expected to be available to fund costs of the Series 2018 Project. The Developer will enter into a completion agreement at closing on the Series 2018 Bonds to complete the Series 2018 Project [and the remaining infrastructure necessary to support the 591 residential units in the second phase of development.] See "BONDOWNERS' RISKS – Insufficient Resources or Other Factors Causing Failure to Complete the Series 2018 Project or the Construction of Homes within the District" herein.

Lot Status and Residential Product Offerings

The following table reflects the Developer's current expectations for the neighborhoods to be constructed in the District that will be subject to the Series 2018 Special Assessments, along with the number of planned units, estimated number of bedrooms and bathrooms, estimated square footage, estimated lot prices and estimated home prices, all of which are subject to change.

<u>Product Type</u>	<u># of Planned Units</u>	<u>Estimated Beds/Baths</u>	<u>Estimated Square Footage</u>	<u>Estimated Lot Price</u>	<u>Estimated Home Prices</u>
Villas	178				
SF 53'	129				
SF 64'	101				
SF 78'	183				
Total	591				

A sales center for the Development opened in _____. The Developer anticipates the following number of homes will be sold in the District to residential end users in the following years: ____ units in 2018, ___ units in 2019, ___ units in 2020, ___ units in 2021. These anticipated absorption rates are based upon estimates and assumptions made by the Developer that are inherently uncertain, though considered reasonable by the Developer, and are subject to significant business, economic, and competitive uncertainties and contingencies, all of which are difficult to predict and many of which are beyond the control of the Developer. As a result, there can be no assurance such absorption rates will occur or be realized in the time frames anticipated.

Builder Contract and the Builder

[To come.]

Development Approvals

[UPDATE: The Development has received all required site development permits and approvals, including the necessary permits from the South Florida Water Management District and the United States Army Corps of Engineers. The Development received zoning approval by the County as a Planned Development. Development of a maximum of 1,154 dwelling units is permitted. The District Engineer will certify at the closing of the issuance of the Series 2018 Bonds that all permits necessary to construct the master infrastructure set forth in the Engineer's Report have been or will be received in the ordinary course.]

Environmental

A Phase 1 Environmental Site Assessment (the "Phase 1 ESA") for the approximately 688 acres constituting the District Lands was obtained in July 2010 from GaiaTech, Inc. The Phase 1 ESA revealed no recognized environmental conditions on the District Lands and did not recommend further testing. See "BONDOWNERS' RISK – Regulatory and Environmental Risks" herein for more information regarding potential environmental risks.

Development Amenities

[UPDATE (from 2014): It is anticipated that the Development will contain an approximate 4,695 square foot clubhouse, with a 2,500 square foot outrigger building and a 3,370 square foot fitness center. The Development will also contain an approximate 5,000 square foot resort pool with a beach pavilion, beach volleyball, cabanas, an event lawn, kids' splash pool, party pavilion, boat docks and a separate tennis facility with six tennis courts and a cabana area. It is expected that construction of the Development's amenities will commence in the fourth quarter of 2014 with completion of phase 1 of the amenities in the 1st quarter of 2015 and final completion of the entire site in the second quarter of 2016. The Developer estimates that the total cost for amenities for the Development will be approximately \$6,000,000 which amount is included in the estimate of Phase 1 Master Infrastructure costs.]

Utilities

The County will provide water and sewer service to the Development. Electric Service will be provided by Florida Power and Light. Comcast will provide cable to the Development.

Taxes, Assessments and Fees

The Series 2018 Special Assessments securing the Series 2018 Bonds will initially be levied on all gross acres within the District other than the District Lands subject to the Series 2014 Special Assessments. As units are platted and assigned a parcel number, the debt will be transferred from gross acres to platted parcels on a first platted-first assigned basis in accordance with the Assessment Methodology. See "ASSESSMENT METHODOLOGY" herein for more information.

The Series 2018 Special Assessments are expected to be absorbed by the 591 residential units planned for the second phase of development of the District Lands. Upon platting of all of the residential units planned for the second phase of development of the District Lands, the estimated Series 2018 Special Assessments levied and allocated to platted units to pay debt service on the Series 2018 Bonds, and the estimated Series 2018 Bonds par per unit are expected to be as follows:

<u>Product Type</u>	<u>No. of Units</u>	<u>Total Par Per Unit*</u>	<u>Annual Assessment Per Unit*</u>
Villa	178	\$ 9,948	\$680
SF 53'	129	\$14,629	\$1,100
SF 64'	101	\$16,092	\$1,100
SF 78'	<u>183</u>	\$17,555	\$1,200
TOTAL:	<u>591</u>		

* Preliminary, subject to change. Annual assessments per unit collected via the Uniform Method will be subject to a gross up to include estimated County collection costs and statutory early payment discounts.

Homeowners in the District will also pay homeowners association fees which are expected to be approximately \$____ to \$____ per unit per month in fiscal year 2018. In addition to the above, the District currently levies assessments to cover its operation and administrative costs in the amount of approximately \$____ annually, which amount is subject to change. The District Lands have been and are expected to be subject to taxes and assessments imposed by taxing authorities other than the District. In addition, exclusive of any voter approved millage levied for general obligation bonds, as to which no limit applies, the County and the School District of Collier County, Florida each levy ad valorem taxes upon the land in the District. These taxes would be payable in addition to the Series 2018 Special Assessments and any other assessments levied by the District. The District has no control over the level of ad valorem taxes and/or special assessments levied by other taxing authorities. The total millage rate applicable to the District Lands in 2017 was approximately 11.2772 mills. It is possible that in future years taxes levied by these other entities could be substantially higher in future years. See "SECURITY FOR AND SOURCE OF PAYMENT FO THE SERIES 2018 BONDS – Additional Bonds" and "BONDOWNERS' RISKS" herein.

Education

[Residents of the Development will attend Manatee Elementary School, Manatee Middle School and Lely High School which are located approximately two (2) miles, two (2) miles and six (6) miles away from the Development, respectively, which are received ratings from the State in 2017 of B, C, and B, respectively. The Collier County School Board may change school boundaries from time to time and there is no requirement that students residing in the Development be permitted to attend the schools which are closest to the Development.]

Competition

The Development is expected to compete with projects in the ____ Collier County market generally, which include Fiddler's Creek, [Hacienda Lakes, Sabal Bay and _____]. The foregoing does not purport to summarize all of the existing or planned communities in the area of the Development.

THE DEVELOPER

[UPDATE (from 2014): All of the District Lands that will be subject to the Series 2018 Special Assessments are owned by either SFI Naples Reserve LLC, a Delaware limited liability company ("SFI Naples Reserve") [or Naples AW Holdco LLC, a Delaware limited liability company ("Naples AW Holdco" and, together with SFI Naples Reserve,] the "Developer"). Both entities comprising the Developer are ultimately wholly owned and managed by iStar Financial Inc., a Maryland corporation ("iStar"). SFI Naples Reserve and Naples AW Holdco were organized in the state of Delaware on June 2, 2009, and May 23, 2008, respectively.

iStar stock trades on the New York Stock Exchange under the symbol STAR. iStar is subject to the informational requirements of the Securities and Exchange Commission Act of 1934, as amended, and in accordance therewith files reports, proxy statements, and other information with the Securities and Exchange Commission (the "SEC"). The SEC file number for iStar is No-001-15371. Such reports, proxy statements, and other information can be inspected and copied at the Public Reference Section of the SEC, Room 1024, 450 Fifth Street NW, Judiciary Plaza, Washington, DC, and at the SEC's regional offices in Chicago (Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois). Copies of such materials can be obtained by mail from the Public Reference Section of the SEC at prescribed rates. The most recent Annual Report on Form 10-K of iStar on file with the SEC and any other documents and reports filed with the SEC by iStar subsequent to the date of such Annual Report (including Form 10-Q and Form 10-K) through and including the end of the "underwriting period" (as defined in SEC Rule 15c2-12) are hereby incorporated herein by reference. All documents subsequently filed by iStar pursuant to the requirements of the Securities and Exchange Commission Act of 1934 after the date of this Limited Offering Memorandum will be available for inspection in the same manner as described above.]

Neither the Developer nor any of the other individuals or entities listed above is guaranteeing payment of the Series 2018 Bonds or the Series 2018 Special Assessments. None of the other individuals or entities listed above has guaranteed or assumed any of the Developer's obligations incurred in connection with the issuance of the Series 2018 Bonds.

TAX MATTERS

General

The Internal Revenue Code of 1986, as amended (the "Code"), includes requirements which the District must continue to meet after the issuance of the Series 2018 Bonds in order that the interest on the Series 2018 Bonds be and remain excludable from gross income for federal income tax purposes. The District's failure to meet these requirements may cause the interest on the Series 2018 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2018 Bonds. The District has covenanted to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Series 2018 Bonds.

In the opinion of Greenberg Traurig, P.A., Bond Counsel, under existing statutes, regulations, rulings and court decisions and assuming the accuracy of certain representations and certifications of the District and continuing compliance by the District with the tax covenants referred to below, interest on the Series 2018 Bonds is excludable from gross income of the holders thereof for federal income tax purposes. Interest on the Series 2018 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Bond Counsel is further of the opinion that the Series 2018 Bonds and the interest thereon are not subject to taxation under the laws of the State, except estate taxes and taxes under Chapter 220, Florida Statutes, as amended, on interest, income or profits on debt obligations owned by corporations as defined therein. Bond Counsel will express no opinion as to any other tax consequences regarding the Series 2018 Bonds. Prospective purchasers of the Series 2018 Bonds should consult their own tax advisors as to the status of interest on the Series 2018 Bonds under the tax laws of any state other than the State.

The above opinion on federal tax matters with respect to the Series 2018 Bonds will be based on and will assume the accuracy of certain representations and certifications of the District and the Landowner, and compliance with certain covenants of the District to be contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Series 2018 Bonds will be and will remain obligations, the interest on which is excludable from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of those certifications and representations. Bond Counsel will express no opinion as to any other tax consequences regarding the Series 2018 Bonds.

Except as described under this heading, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the receipt or accrual of interest on the Series 2018 Bonds, or the ownership or disposition of the Series 2018 Bonds. Prospective purchasers of the Series 2018 Bonds should be aware that the ownership of the Series 2018 Bonds may result in other collateral federal tax consequences, including, without limitation, (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry the Series 2018 Bonds, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by the applicable statutory percentage of certain items, including interest on the Series 2018 Bonds; (iii) the inclusion of interest on the Series 2018 Bonds in the earnings of certain foreign corporations doing business in the United States for purposes of a branch profits tax; (iv) the inclusion of interest on the Series 2018 Bonds in the passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year; and (v) the inclusion of interest on the Series 2018 Bonds in the determination of the taxability of certain Social Security and Railroad Retirement benefits to certain recipients of such benefits. The nature and extent of the other tax consequences described above will depend on the particular tax status and situation of each owner of the Series 2018 Bonds. Prospective purchasers of the Series 2018 Bonds should consult their own tax advisors as to the impact of these other tax consequences.

Bond Counsel's opinions will be 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 thereof. 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, the opinions of Bond Counsel are not a guarantee of a particular result, and are not binding on the IRS 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 opinions.

[Original Issue Discount and Premium Bonds

Certain of the Series 2018 Bonds ("Discount Bonds") may be offered and sold to the public at an original issue discount ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount Bond determined under Code Section 1273 or 1274 (i.e., for obligations issued for money in a public offering, the initial offering price to the public (other than to bond houses and brokers) at which a substantial amount of the obligation of the same maturity is sold pursuant to that offering). For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Bond (i) is interest excludable from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Series 2018 Bonds, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Bond.

Certain of the Series 2018 Bonds ("Premium Bonds") may be offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity (or earlier for certain Premium Bonds callable prior to maturity). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually (or over a shorter permitted compounding interval selected by the owner). No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond.

Owners of Discount and Premium Bonds should consult their own tax advisers as to the determination for federal income tax purposes of the amount of OID or bond premium properly accruable in any period with respect to the Discount or Premium Bonds and as to other federal tax consequences, and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.]

Information Reporting and Backup Withholding

Interest paid on tax-exempt obligations such as the Series 2018 Bonds is subject to information reporting to the IRS in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2018 Bonds from gross income for federal income tax purposes. However, in connection with that information reporting requirement, the Code subjects certain noncorporate owners of Series 2018 Bonds, under certain circumstances, to "backup withholding" at the rates set forth in the Code, with respect to payments on the Series 2018 Bonds and proceeds from the sale of Series 2018 Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2018 Bonds. This withholding generally applies if the owner of Series 2018 Bonds (a) fails to furnish the payor such owner's social security number or other taxpayer identification number, (b) furnishes the payor an incorrect taxpayer identification number, (c) fails to properly report interest, dividends or other "reportable payments" as defined in the Code or, (d) under certain circumstances, fails to provide the payor or such owner's

securities broker with a certified statement, signed under penalty of perjury, that the taxpayer identification number provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2018 Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals suggested, debated, introduced or pending in Congress or the State legislature that, if enacted into law, could alter or amend one or more of the federal tax matters or State tax matters, respectively, described above including, without limitation, the excludability from gross income of interest on the Series 2018 Bonds, adversely affect the market price or marketability of the Series 2018 Bonds, or otherwise prevent the holders from realizing the full current benefit of the status of the interest thereon. It cannot be predicted whether or in what form any such proposal would affect the Series 2018 Bonds. Prospective purchasers of the Series 2018 Bonds should consult their tax advisors as to the impact of any proposed or pending legislation.

AGREEMENT BY THE STATE

Under the Act, the State of Florida pledges to the holders of any bonds issued thereunder, including the Series 2018 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

In accordance with applicable provisions of Florida law, the Series 2018 Bonds may initially be sold by the District only to "accredited investors" within the meaning of Chapter 517, Florida Statutes, and the rules of the Florida Department of Financial Services promulgated thereunder. The limitation of the initial offering to accredited investors does not denote restrictions on transfer in any secondary market for the Series 2018 Bonds. Investment in the Series 2018 Bonds poses certain economic risks. No dealer, broker, salesman 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, and, if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing.

ENFORCEABILITY OF REMEDIES

The remedies available to the Owners of the Series 2018 Bonds upon an event of default under the Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including the federal

bankruptcy code, the remedies specified by the Indenture and the Series 2018 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2018 Bonds will be qualified as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery.

LITIGATION

The District

There is no litigation of any nature now pending or, to the knowledge of the District threatened, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Series 2018 Bonds, or in any way contesting or affecting (i) the validity of the Series 2018 Bonds or any proceedings of the District taken with respect to the issuance or sale thereof, (ii) the pledge or application of any moneys or security provided for the payment of the Series 2018 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 Series 2018 Special Assessments as described herein, materially and adversely affect the ability of the Developer to pay the Series 2018 Special Assessments imposed against the land within the District owned by the Developer or materially and adversely affect the ability of the Developer to perform its various obligations described in this Limited Offering Memorandum.

CONTINGENT FEES

The District has retained Bond Counsel, the Consulting Engineer, District Counsel, the Methodology Consultant, the Dissemination Agent, the Underwriter (who has retained Underwriter's Counsel) and the Trustee (who has retained Trustee's Counsel), with respect to the authorization, sale, execution and delivery of the Series 2018 Bonds. Except for the payment of fees to the Consulting Engineer, District Counsel and the Methodology Consultant, the payment of fees of the other professionals is each contingent upon the issuance of the Series 2018 Bonds.

NO RATING

No application for a rating for the Series 2018 Bonds has been made to any rating agency, nor is there any reason to believe that an investment grade rating for the Series 2018 Bonds would have been obtained if application had been made.

EXPERTS

Holes Montes, Inc., Naples, Florida, as the District's Consulting Engineer, has prepared the Engineer's Report set forth as APPENDIX A hereto. Wrathell, Hunt and Associates, LLC, Boca Raton, Florida, as the District's Methodology Consultant, has prepared the Assessment Methodology set forth as APPENDIX D hereto. Such reports should be read in their entirety for complete information with respect to the subjects discussed therein. As a condition to closing on the Series 2018 Bonds, the Consulting Engineer and the Methodology Consultant will consent to the inclusion of their reports in this Limited Offering Memorandum.

FINANCIAL INFORMATION

This District will covenant in a Continuing Disclosure Agreement, the proposed form of which is 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 ending September 30, 2018. 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, [2016], as well as the District's most recent unaudited financial statements for the period ended _____, 2018. Such financial statements, including the auditor's report included within the audited financial statements, have been included in this Limited Offering Memorandum as public documents and consent from the auditor was not requested. Further, the auditors have not performed any services related to, and therefore are not associated with, the preparation of this Limited Offering Memorandum. The Series 2018 Bonds are not general obligation bonds of the District or any other entity and are payable solely from the Series 2018 Pledged Revenues.

Beginning October 1, 2015, or by the end of the first full fiscal year after its creation, each community development district in Florida must have a separate website with certain information as set forth in Section 189.069, F.S., including, without limitation, the district's proposed and final budgets and audit. Additional information regarding the District's website is available from the District Manager at the address set forth under "THE DISTRICT – The District Manager and Other Consultants."

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Section 517.051, Florida Statutes, and the regulations promulgated thereunder (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 has never been in default as to principal or 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 set forth in APPENDIX E, for the benefit of the Series 2018 Bondholders (including owners of beneficial interests in such Bonds), to provide certain financial information and operating data relating to the District and the Development by certain dates prescribed in the Disclosure Agreement (the "Reports") with the Municipal Securities Rulemaking Board ("MSRB") through the MSRB's Electronic Municipal Market Access system ("EMMA"). The specific nature of the information to be contained in the Reports is set forth in "APPENDIX E: PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT." Under certain circumstances, the failure of the District or the Developer to comply with their respective obligations under the Disclosure Agreement constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Disclosure Agreement would allow the Series 2018 Bondholders (including owners of beneficial interests in such Bonds) to bring an action for specific performance.

The District and the Developer have each previously entered into a continuing disclosure undertaking with respect to the District's Series 2014 Bonds. A review of filings made pursuant to such prior undertaking indicates that [to come].

The District will appoint Wrathell, Hunt and Associates, LLC, who also serves as the District's district manager, as the dissemination agent in the Disclosure Agreement.

UNDERWRITING

FMSbonds, Inc. (the "Underwriter") has agreed, pursuant to a contract with the District, subject to certain conditions, to purchase the Series 2018 Bonds from the District at a purchase price of \$_____ (representing the \$_____ aggregate principal amount of the Series 2018 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 Series 2018 Bonds if any are purchased. The Series 2018 Bonds may be offered and sold to certain dealers, banks and others at prices lower than the initial offering prices, and such initial offering prices may be changed from time to time by the Underwriter.

VALIDATION

The Series 2018 Bonds were validated by a Final Judgment of the Circuit Court of the Twentieth Judicial Circuit in and for the County, rendered on April 9, 2014 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 Series 2018 Bonds are subject to the approval of Greenberg Traurig, P.A., Miami, Florida, Bond Counsel. Certain legal matters will be passed upon for the District by its counsel, Coleman, Yovanovich & Koester, P.A., Naples, Florida, for the Developer by its counsel, Carlton Fields Jordan Burt, P.A., Tampa, Florida, and for the Underwriter by its 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 Series 2018 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 Series 2018 Bonds and may not be reproduced or used, as a whole or in part, for any purpose. This

Limited Offering Memorandum is not to be construed as a contract with the purchaser or the Beneficial Owners of any of the Series 2018 Bonds.

[Remainder of page intentionally left blank.]

AUTHORIZATION AND APPROVAL

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

**NAPLES RESERVE COMMUNITY
DEVELOPMENT DISTRICT**

By: _____
Chairperson, Board of Supervisors

APPENDIX A
ENGINEER'S REPORT

APPENDIX B

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

APPENDIX C

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

APPENDIX D

ASSESSMENT METHODOLOGY

APPENDIX E

PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT

APPENDIX F
DISTRICT'S FINANCIAL STATEMENTS

EXHIBIT D

FORM OF RULE 15c2-12 CERTIFICATE

Naples Reserve Community Development District
\$ _____* Special Assessment Bonds,
Series 2018

The undersigned hereby certifies and represents to FMSbonds, Inc. ("Underwriter") that he is the Chairperson of the Board of Supervisors of Naples Reserve Community Development District (the "District") is authorized to execute and deliver this Certificate, and further certifies on behalf of the District to the Underwriter as follows:

9. This Certificate is delivered to enable the Underwriter to comply with Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule") in connection with the offering and sale of the above captioned bonds (the "Series 2018 Bonds").

10. In connection with the offering and sale of the Series 2018 Bonds, there has been prepared a Preliminary Limited Offering Memorandum, dated the date hereof, setting forth information concerning the Series 2018 Bonds and the District (the "Preliminary Limited Offering Memorandum").

11. As used herein, "Permitted Omissions" shall mean the offering price, interest rate, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings, the identity of the Underwriter and other terms of the Series 2018 Bonds depending on such matters.

12. The undersigned hereby deems the Preliminary Limited Offering Memorandum "final" as of its date, within the meaning of the Rule, except for the Permitted Omissions, and the information therein is accurate and complete except for the Permitted Omissions.

13. If, at any time prior to the execution of a Bond Purchase Contract, any event occurs as a result of which the Preliminary Limited Offering Memorandum might include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the District will promptly notify the Underwriter thereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this ____ day of _____, 2018.

**NAPLES RESERVE
COMMUNITY DEVELOPMENT DISTRICT**

Chairperson

* Preliminary, subject to change.

EXHIBIT E

FORM OF CONTINUING DISCLOSURE AGREEMENT

MIA 186437169v3

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Disclosure Agreement") dated as of _____, 2018 is executed and delivered by the Naples Reserve Community Development District (the "Issuer" or the "District"), SFI Naples Reserve, LLC, a Delaware limited liability company ["SFI Naples Reserve"], Naples AW Holdco LLC, a Delaware limited liability company ("Naples AW Holdco" and, together with SFI Naples Reserve,] the "Developer"), and Wrathell, Hunt and Associates, LLC, a Florida limited liability company, as dissemination agent (together with its successors and assigns, the "Dissemination Agent") in connection with the Issuer's Special Assessment Bonds, Series 2018 (the "Bonds"). The Bonds are secured pursuant to a Master Trust Indenture dated as of August 1, 2014 and a Second Supplemental Trust Indenture dated as of _____ 1, 2018 (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 Fort Lauderdale, Florida, as trustee (the "Trustee"). The Issuer, the Developer 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 Developer 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 or other Obligated Person to provide additional information, the Issuer and each Obligated Person agree to promptly provide such additional information.

The provisions of this Disclosure Agreement are supplemental and in addition to the provisions of the Indenture with respect to reports, filings and notifications provided for therein, and do not in any way relieve the 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 Filing Date" means the date set forth in Section 3(a) hereof by which the Annual Report is to be filed with each Repository.

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

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

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

"Assessments" shall mean the non-ad valorem Series 2018 Special Assessments pledged to the payment of the Bonds pursuant to the Indenture.

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

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

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

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

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

"Dissemination Agent" 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. Wrathell, Hunt and Associates, LLC has been designated as the initial Dissemination Agent hereunder.

"District Manager" shall mean Wrathell, Hunt and Associates, LLC, 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 a format for any document provided to the MSRB (as hereinafter defined) which is in an electronic format and is accompanied by identifying information, all as prescribed by the MSRB.

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

"Limited Offering Memorandum" shall mean that Limited Offering Memorandum dated _____, 2018, 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 (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), which person(s) shall include the Issuer, and for the purposes of this Disclosure Agreement, the Developer and its [respective] affiliates for so long as such Developer or its [respective] affiliates, successors or assigns (excluding residential homebuyers who are end users) are the owners of District Lands responsible for payment of at least 20% of the Assessments.

"Participating Underwriter" shall mean FMSbonds, Inc.

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

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

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

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

"SEC" means the Securities and Exchange Commission.

"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 Annual Report for the Fiscal Year ending September 30, 2018; provided, however, that the District shall file its Audited Financial Statements for the Fiscal Year ended September 30, 2017 on or before June 30, 2018. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; *provided that* the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report, and may be submitted in accordance with State law, which currently requires such Audited Financial Statements to be provided up to, but no later than, nine (9) months after the close of the Issuer's Fiscal Year (the "Audited Financial Statements Filing Date"). The Issuer shall, or shall cause the Dissemination Agent to, provide to the Repository the components of an Annual Report which satisfies the requirements of Section 4(a) of this Disclosure Agreement within thirty (30) days after same becomes available, but in no event later than the Annual Filing Date or Audited Financial Statements Filing Date, if applicable. If the Issuer's Fiscal Year changes, the Issuer shall give notice of such change in the same manner as for a Listed Event under Section 6.

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

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

(d) The Dissemination Agent shall:

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

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

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

4. **Content of Annual Reports.**

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

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

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

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

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

(v) All fund balances in all Funds and Accounts for the Bonds.

(vi) The total amount of 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.

(ix) In the event of any amendment or waiver of a provision of this Disclosure Agreement, a description of such amendment or waiver in the next Annual Report, and in each case shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change in accounting principles, on the presentation) of financial information or operating data being presented by the 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.

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

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

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

5. Quarterly Reports.

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

(b) Each Quarterly Report shall contain an update of the following information to the extent available:

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

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

(iii) The number and type of lots platted in the Assessment Area.

(iv) The number and type of homes under contract with homebuyers in the Assessment Area.

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

(vi) Any change to the number or type of lots planned to be developed in the Assessment Area by the Obligated Person.

(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 an Assessment Area (a "Transferor Obligated Person") to a third party (a "Transferee"), 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 use its best efforts to contractually obligate such Transferee to agree to comply with the disclosure obligations of an Obligated Person hereunder for so long as such Transferee is an Obligated Person hereunder, to the same extent as if such Transferee were a party to this Disclosure Agreement (an "Assignment"). 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. Nothing herein shall be construed to relieve the Developer from its [respective] obligations hereunder except to the extent a written Assignment from a Transferee is obtained and delivered to the Dissemination Agent and then only to the extent of such Assignment.

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

6. **Reporting of Significant Events.**

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

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;

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

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

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

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

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

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

(ix) Defeasances;

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

(xi) Rating changes;*

(xii) Bankruptcy, insolvency, receivership or similar event of the 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 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

* Not applicable to the Bonds at their date of issuance.

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

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

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

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

(e) The Developer hereby represents and warrants that it has not previously entered into any continuing disclosure agreement in connection with a prior offering of securities in order to enable an underwriter of said securities to comply with the provisions of the Rule.

7. **Termination of Disclosure Agreement.** This Disclosure Agreement shall terminate 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. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain responsible until payment in full for any and all sums owed and payable to the Dissemination Agent hereunder. The initial Dissemination Agent shall be Wrathell, Hunt and Associates, LLC. The acceptance of such designation is evidenced by the execution of this Disclosure Agreement by a duly authorized signatory of the Dissemination Agent. The Dissemination Agent 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.

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.

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 each Obligated Person, if any.

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, any Obligated Person or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the request of any Participating Underwriter or the Beneficial Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and receipt of indemnity satisfactory to the Trustee, shall), or any beneficial owner of a Bond may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer, the Disclosure Representative, any Obligated Person or a Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement by any Obligated Person shall not be deemed a default by the 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, any Obligated Person, or a Dissemination Agent, 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 Developer and such Dissemination Agent. The Dissemination Agent shall have no obligation to notify any other party hereto of an event that may constitute a Listed Event. The District, each Obligated Person and the Disclosure Representative covenant that they will supply, in a timely fashion, any information reasonably requested by the Dissemination Agent that is necessary in order for the Dissemination Agent to carry out its duties under this Disclosure Agreement. The District, the Developer and the Disclosure Representative acknowledge and agree that the information to be collected and disseminated by the Dissemination Agent will be provided by the District, Obligated Person(s), the Disclosure Representative and others. The Dissemination Agent's duties do not include authorship or production of any materials, and the Dissemination Agent shall have no responsibility hereunder for the content of the information provided to it by the District, any Obligated Person or the Disclosure Representative as thereafter disseminated by the Dissemination Agent. Any filings under this Disclosure Agreement made to the MSRB through EMMA shall be in an EMMA compliant format.

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

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

15. **Governing Law.** The laws of the State of Florida and Federal law shall govern this Disclosure Agreement and venue shall be any state or federal court having jurisdiction in Collier 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 readily available to and in the possession of the Trustee that 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 Developer or any assignee or successor thereto that becomes an Obligated Person pursuant to the terms of this Disclosure Agreement, only successor or assignees to such parties who are, by definition, Obligated Persons, shall be bound or benefited by this Disclosure Agreement.

[Signature Page Follows]

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

**NAPLES RESERVE COMMUNITY
DEVELOPMENT DISTRICT, AS ISSUER**

[SEAL]

By: _____
Chairperson, Board of Supervisors

ATTEST:

By: _____
Secretary

**[NAPLES AW HOLDCO LLC, a Delaware
limited liability company, AS DEVELOPER]**

By: _____
Name: _____
Title: _____

**SFI NAPLES RESERVE LLC, a Delaware
limited liability company, AS DEVELOPER**

By: _____
Name: _____
Title: _____

CONSENTED TO AND AGREED TO BY:

DISTRICT MANAGER

**WRATHELL, HUNT AND
ASSOCIATES, LLC, a Florida limited
liability company, AS DISTRICT
MANAGER**

By: _____
Name: _____
Title: _____

**WRATHELL, HUNT AND ASSOCIATES,
LLC, a Florida limited liability company, 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 REPORT]
[AUDITED FINANCIAL STATEMENTS][QUARTERLY REPORT]**

Name of Issuer: Naples Reserve Community Development District

Name of Bond Issue: \$ _____ original aggregate principal amount of Special Assessment Bonds, Series 2018

Obligated Person(s): Naples Reserve Community Development District;
_____.

Original Date of Issuance: _____, 2018

CUSIP Numbers: _____

NOTICE IS HEREBY GIVEN that the [Issuer][Obligated Person] has not provided an [Annual Report] [Audited Financial Statements] [Quarterly Report] with respect to the above-named Bonds as required by [Section 3] [Section 5] of the Continuing Disclosure Agreement dated _____, 2018, by and between the Issuer, the Developer and the Dissemination Agent named therein. The [Issuer][Obligated Person] has advised the undersigned that it anticipates that the [Annual Report] [Audited Financial Statements] [Quarterly Report] will be filed by _____, 20____.

Dated: _____

_____, as Dissemination Agent

By: _____

Name: _____

Title: _____

cc: Issuer
Trustee

**NAPLES RESERVE
COMMUNITY DEVELOPMENT DISTRICT**

7

**COMMUNITY DEVELOPMENT DISTRICT SYSTEMS AND
FACILITIES OPERATION AND MAINTENANCE AGREEMENT**

THIS COMMUNITY DEVELOPMENT DISTRICT SYSTEMS AND FACILITIES OPERATION AND MAINTENANCE AGREEMENT (this “**Agreement**”) is entered into as of ___ day of _____, 2018 by and between **NAPLES RESERVE COMMUNITY DEVELOPMENT DISTRICT**, an independent special district established pursuant to Chapter 190, Florida Statutes (the “**District**”), and **NAPLES RESERVE HOMEOWNERS ASSOCIATION, INC.**, a Florida not-for-profit corporation (the “**Association**”).

RECITALS:

A. The District is a local unit of special-purpose government established by ordinance adopted by the Board of County Commissions of Collier County, Florida, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the “**Act**”), and is validly existing under the Constitution and laws of the State of Florida. The District has the authority to, among other things, plan, finance, construct, operate, and maintain certain community infrastructure, including, but not limited to, stormwater management improvements; roadways; entrance, landscape and irrigation improvements; water and sewer improvements; and wetland mitigation within or without the boundaries of the District.

B. The Association is a private not-for-profit corporation formed pursuant to Chapter 720, Florida Statutes that owns and operates certain common facilities within the jurisdictional boundaries of the District. The membership of the Association is comprised solely of property owners within the District. As the Association will own and be responsible for operating and maintaining certain common areas and facilities contiguous to the areas within which the District improvements are or will be located and the members of the Association are the direct beneficiaries of the District improvements, the Association is uniquely positioned and qualified to operate and maintain the certain District improvements.

C. For ease of administration, potential cost savings to property owners and residents and the benefits of full time on-site inspection, operation and maintenance personnel, the District desires to contract with the Association to conduct the inspection, maintenance and repair of certain District improvements on behalf of the District as described herein. Those District improvements to be maintained and repaired by the Association are referred to herein as the “**District Systems and Facilities**”.

D. The residents within the community that is served by both the Association and the District benefit from the District Systems and Facilities and may be required to pay for the cost of maintaining such improvements, regardless whether such maintenance is conducted by the Association or the District.

E. The Association is able and willing to perform the maintenance of the District Systems and Facilities for the District.

NOW, THEREFORE, in consideration of the recitals, agreements and mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the District and Association (collectively, the “**Parties**”), the Parties agree as follows:

1. **Recitals**. The foregoing recitals are true and correct and incorporated herein by reference.

2. **Operation, Maintenance and Repair**. The Association agrees to operate and provide normal, regular and customary maintenance and repair of the District Systems and Facilities described in the scope of services attached hereto and made a part hereof as **Exhibit “A”** (the “**Scope of Services**”) to keep the District Systems and Facilities in good and proper condition and repair. All such maintenance and repair shall be performed by the Association at the Association’s sole cost and expense and in compliance with all applicable laws, statutes, ordinances, administrative rules and regulations, District rules, and applicable permit requirements. The Association understands and agrees that the Association shall be required to budget for, fund, and complete operation, maintenance, and repair of the District Systems and Facilities and their component parts. During the term of this Agreement, the Association shall have a non-exclusive license to enter upon the property of the District to the extent reasonably necessary to carry out the Association’s obligations under this Agreement. The Scope of Services may be modified from time to time in writing upon the mutual agreement of the Parties. The District shall be responsible for capital renewal and replacement of the components of the District Systems and Facilities which shall be subject to the prior approval of the District.

3. **Representative**. The District shall designate in writing a person to act as the District’s representative with respect to the services to be performed under this Agreement. The District’s representative shall have authority to transmit instructions, receive information, interpret and define the District’s policies and decisions with respect to materials, equipment, elements, and systems pertinent to the Association’s services. The District hereby designates the District Manager to act as its representative. A representative of the Association and the District’s representative (or other District designee) shall meet at such times and at such regular intervals as reasonably requested by the District to walk the property where the District Systems and Facilities are located and/or to discuss conditions, schedules, and items of concern regarding this Agreement.

4. **Inspections by the Association**. The Association shall perform regular on-site inspections of the District Systems and Facilities to determine their condition. Based upon said inspections, the Association shall perform the maintenance and repair of the District Systems and Facilities as contemplated under Section 1. The Association shall make a representative available to provide reporting at the regular meetings of the District’s Board of Supervisors on the District Systems and Facilities being maintained hereunder.

5. **Modifications to District Systems and Facilities.** The District reserves the right to modify or enhance the District Systems and Facilities from time to time in its discretion. Prior to any material modification or enhancement, the District shall provide written notice to the Association. The Association may not make any material modification to the District Systems and Facilities without the prior written consent of the District, which consent may be withheld in the District' sole and exclusive discretion.

6. **Term/Renewal.** Following the execution of this Agreement by both parties, the Contractor shall provide the District with the specific services identified in this Agreement commencing as of June 1, 2017 ("**Commencement Date**"). The term of this Agreement shall be from the Commencement Date through September 30, 2018 (the "**Term**"). Thereafter, this Agreement shall automatically renew on an annual basis for additional one (1) year periods (hereinafter, "**Annual Renewal Term**") unless otherwise terminated as provided for in this Agreement or either party provides written notice of non-renewal to the other no later than one hundred twenty (120) days prior to the expiration of the Term or Annual Renewal Term, as applicable. The District may terminate this Agreement for any or no reason upon ninety (90) days written notice to the Association.

7. **Independent Contractor.** In all matters relating to this Agreement, the Association shall be acting as an independent contractor. Neither the Association nor employees of the Association, if there are any, are employees of the District under the meaning or application of any Federal or State Unemployment or Insurance Laws or Old Age Laws or otherwise. The Association agrees to assume all liabilities or obligations imposed by any one or more of such laws with respect to employees of the Association, if there are any, in the performance of this Agreement. The Association shall not have any authority to assume or create any obligation, express or implied, on behalf of the District and the Association shall have no authority to represent the District as an agent, employee, or in any other capacity. It is recognized that the Association may, for all or a portion of the inspection, maintenance and repair of the District Systems and Facilities required hereunder, hire or engage one or more third-party contractors or subcontractors to perform services for the Association.

8. **Liens and Claims.** The Association shall promptly and properly pay for all contractors retained, labor employed, materials purchased, and equipment hired by it to perform under this Agreement. The Association shall keep the District's property free from any construction, materialmen's or mechanic's liens and claims or notices in respect to such liens and claims or notices in respect to such liens and claims, which arise by reason of the Association's performance under this Agreement, and the Association shall immediately discharge any such claim or lien.

9. **Indemnification.** Except to the extent of negligence or intentional misconduct of the District, the Association agrees to indemnify, defend and hold harmless the District and its Board members, officers, agents, staff and employees from any and all liability, claims, actions, suits or demands by any person, corporation or other entity for injuries, death, property damage or harm of any nature, arising out of, or in connection with, the acts or omissions of the Association, or its officers, employees, representatives, contractors, or subcontractors relating to the obligations assumed by the Association hereunder. Obligations under this section shall

include the payment of all settlements, judgments, damages, liquidated damages, penalties, forfeitures, back pay awards, court costs, arbitration and/or mediation costs, litigation expenses, fines, penalties, attorneys' fees, and paralegal fees (incurred in court, out of court, mediation, on appeal, or in bankruptcy proceedings) as ordered.

10. **Insurance.** The Association shall procure, at the Association's expense, and maintain at all times during the term of this Agreement, comprehensive general liability insurance, worker's compensation insurance, automobile liability insurance, and such other coverage as may be necessary or desirable to carry out its duties under this Agreement regarding the District Systems and Facilities. The Association shall carry the following minimum levels of insurance:

a. Comprehensive general liability insurance coverage of \$1,000,000.00 combined single limit bodily injury and property damage per occurrence, and \$2,000,000 general aggregate.

b. Worker's compensation insurance coverage insurance shall be in full compliance with Florida statutory requirements.

c. Employer's Liability Coverage with limits of at least \$1,000,000 (one million dollars) per accident or disease.

d. Automobile Liability Insurance for bodily injuries in limits of not less than \$1,000,000 combined single limit bodily injury and for property damage, providing coverage for any accident arising out of or resulting from the operation, maintenance, or use by the Association of any owned, non-owned, or hired automobiles, trailers, or other equipment required to be licensed.

The District, its officers and supervisors shall be named as an additional insured on all policies required (excluding worker's compensation). A certificate of insurance will be provided to the District annually evidencing compliance with the foregoing insurance requirements. No certificate shall be acceptable to the District unless it provides that any change or termination within the policy periods of the insurance coverage, as certified, shall not be effective within thirty (30) days of prior written notice to the District. Insurance coverage shall be from one or more reputable insurance carriers that are licensed to conduct business in the State of Florida, which carriers shall be reasonably acceptable to the District. Association further agrees to require by written contract any contractor or subcontractors hired or engaged by the Association to perform all or part of the Associations' services hereunder to procure and maintain, until the completion of the contractor's or subcontractor's work, insurance of the types and to the limits specified in this Section unless such insurance requirements for the contractor or subcontractor are expressly waived in writing by the District.

11. **Payment.** The District shall pay Association the sum of Ten Dollars (\$10.00) per year for the provision of management and maintenance services pursuant to the terms of this Agreement. The Association shall not be entitled, for any reason, to reimbursement or refund from the District of any funds expended in the performance of the Association's obligations and

responsibilities under this Agreement. The Association shall be solely responsible for staffing, budgeting, financing, billing and collection of fees, service charges, etc., necessary to perform the Association's obligations and responsibilities set forth in this Agreement.

12. **Prevailing Party.** In any action or proceeding arising between the parties relating to the terms of this Contract, the prevailing party shall be entitled to recover its reasonable attorneys' fees, expenses, and all court costs, including fees and costs incurred through any appeal, from the non-prevailing party.

13. **Public Records.** In connection with its services to the District, the Association agrees to fully comply with the provisions of Section 119.0701, Florida Statutes pertaining to Florida's Public Records Law. Said compliance will include the Association taking appropriate and necessary steps to comply with the provisions of Section 119.0701(2)(b), Florida Statutes including, without limitation, the following:

a. The Association shall keep and maintain public records required by the District to perform the services hereunder.

b. Upon a request for public records received by the District, the Association shall provide the District with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes or otherwise provided by law.

c. The Association shall ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the Agreement term and following completion of this Agreement if the Association does not transfer the records to the District.

d. Upon completion of this Agreement, the Association shall transfer, at no cost, to the District all public records in possession of the Association or keep and maintain public records required by the District to perform the service. If the Association transfers all public records to the District upon completion of this Agreement, the Association shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the Association keeps and maintains public records upon completion of this Agreement, the Association shall meet all applicable requirements for retaining public records. All records stored electronically by the Association must be provided to the District, upon request from the District's custodian of public records, in a format that is compatible with Microsoft Word or Adobe PDF.

Failure of the Association to comply with Section 119.0701, Florida Statutes may subject the Association to penalties under Section 119.10, Florida Statutes. Further, in the event the Association fails to comply with this Section or Section 119.0701, Florida Statutes, the District shall be entitled to any and all remedies at law or in equity. The following statement is required to be included in this Agreement pursuant to Section 119.0701(2), Florida Statutes:

IF THE ASSOCIATION HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO

THE ASSOCIATION'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT CRAIG WRATHELL C/O WRATHELL, HUNT AND ASSOCIATES, LLC, TELEPHONE: (561) 571-0010, EMAIL: ADAMSC@WHHASSOCIATES.COM, AND MAILING ADDRESS; 2300 GLADES ROAD, SUITE 410W, BOCA RATON, FL 33431.

14. **Sovereign Immunity.** The Association agrees that nothing contained in this Agreement shall constitute or be construed as a waiver of the District's statutory limitations on liability set forth in Section 768.28, Florida Statutes, and other law, and nothing in this Agreement shall inure to the benefit of any third party for the purpose of allowing any claim which would otherwise be barred under the Doctrine of Sovereign Immunity or by operation of law.

15. **Assignment.** This Agreement may not be assigned by the Association without the prior written specific consent of the District, which consent may be withheld in the District's sole and absolute discretion.

16. **Notices.** Any notice, demand, consent, authorization, request, approval or other communication that any party is required, or may desire, to give to or make upon the other parties pursuant to this Agreement shall be effective and valid only if in writing, signed by the party giving notice and either (i) delivered personally to the other parties; (ii) sent by commercial overnight courier or delivery service; (iii) regular United States mail, postage prepaid; or (iv) email, addressed to the other parties at the addresses set forth below (or to such other place as any party may by notice to the others specify). Notice shall be deemed given when received, except that if delivery is not accepted, notice shall be deemed given on the date of such non-acceptance. Notices delivered after 5:00 p.m. (at the place of delivery) or on a non-business day, shall be deemed received on the next business day. If any time for giving notice would otherwise expire on a non-business day, the notice period shall be extended to the next succeeding business day. Saturdays, Sundays, and legal holidays recognized by the United States government shall not be regarded as business days. Counsel may deliver notice on behalf of the party represented. Initial addresses for the Parties include:

To District: **Naples Reserve
Community Development District
Wrathell, Hunt & Associates, LLC
2300 Glades Road, Suite 410W
Boca Raton, Florida 33431
wrathellc@whhassociates.com and
cerbonec@whhassociates.com**

With a copy to:
Coleman, Yovanovich & Koester

4001 Tamiami Trail North, Suite 300
Naples, Florida 34103
Attention: Gregory L. Urbancic, Esq.
gurbancic@cyklawfirm.com

To Association: **Naples Reserve Homeowners
Association, Inc.**
3232 W. Lake Mary Blvd., Suite 1410
Lake Mary, FL 32746

17. **Waiver.** A waiver by either party of any provision of this Agreement shall not act as a waiver of any other provision of this Agreement. If any provision of this Agreement is for any reason declared invalid, illegal, or unenforceable, that declaration shall not affect the remainder of the provisions of this Agreement.

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

19. **Integration.** This Agreement embraced the entire Agreement between the parties. No oral Agreement or representation concerning this Agreement shall be binding.

20. **Governing Law/Venue.** This Agreement and the provisions contained herein shall be construed, interpreted and controlled according to the laws of the State of Florida. Venue for any dispute shall be in a court of appropriate jurisdiction in Collier County, Florida.

21. **Counterparts.** This Agreement may be executed in several counterparts or by separate instruments, and all of such counterparts and instruments shall constitute one agreement which shall be binding on all of the Parties.

(Remainder of Page Intentionally Left Blank. Signatures Begin on Next Page.)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

**NAPLES RESERVE
DEVELOPMENT DISTRICT**

Attest:

By: _____
Donald Mears, Chairman

Craig Wrathell, Secretary

**NAPLES RESERVE HOMEOWNERS
ASSOCIATION, INC.**

By: _____

Name: _____

Title: _____

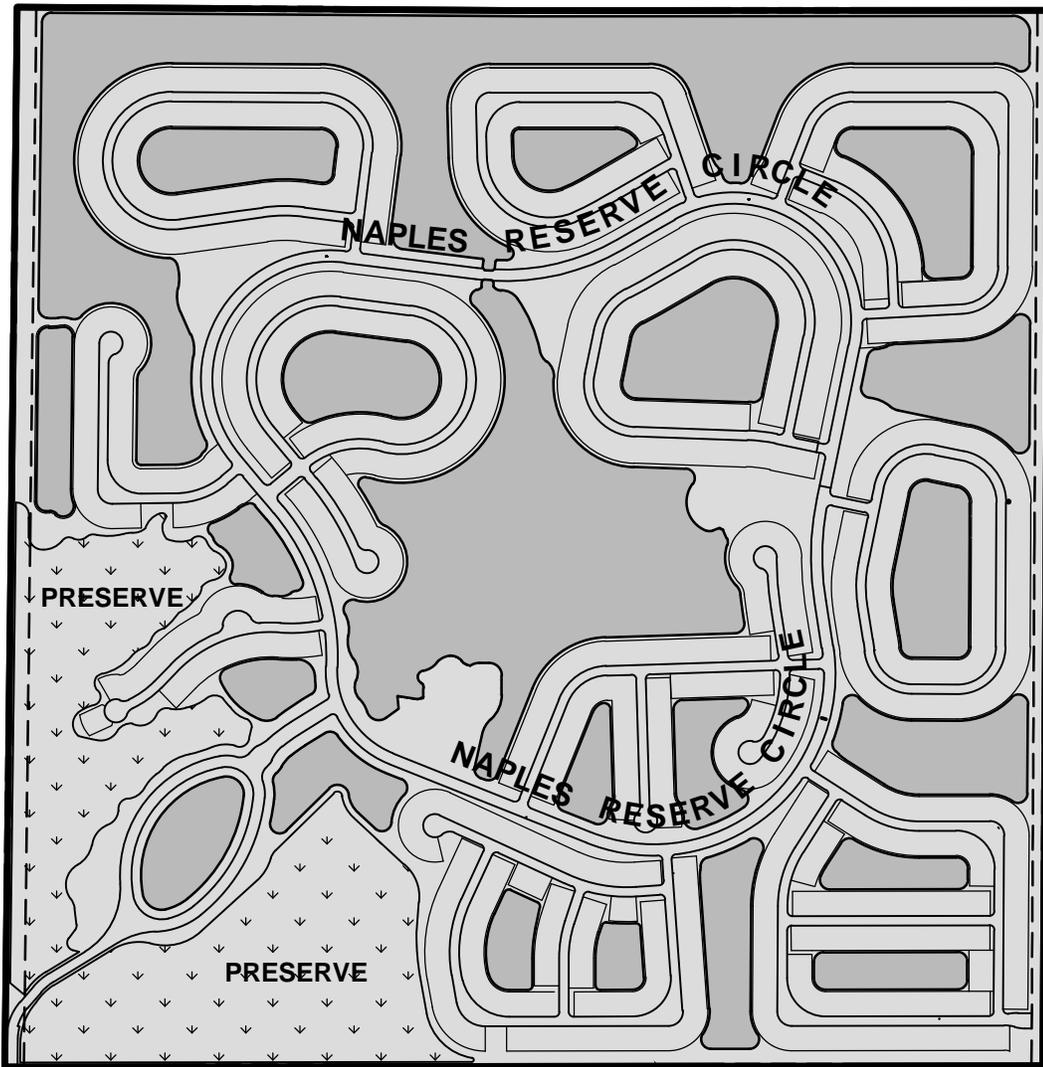
Exhibit "A"
Scope of Services

Exhibit "A"

Scope of Services

Stormwater management improvements, including all lakes and storm drainage piping/structures.

N:\2013\2013030\LD\DW\EXHIBITS\3030_CDD.dwg Tab: STRMWTR_EXH_A1 Jan 29, 2018 - 12:10pm Plotted by: RickKorneff



NAPLES RESERVE BOULEVARD

COMMUNITY DEVELOPMENT DISTRICT BOUNDARY

GREENWAY ROAD

TAMIAMI TRAIL (U.S. 41)

-  COMMUNITY DEVELOPMENT DISTRICT LANDS
-  EXISTING AND PROPOSED LAKES

NOTES:

1. ALL LAKES AND STORMWATER MANAGEMENT PIPING SHALL BE MAINTAINED BY THE NAPLES RESERVE HOMEOWNERS ASSOCIATION, INC.
2. THE DEVELOPMENT IS ZONED 'RPUD'.



0 1000



SCALE IN FEET



950 Encore Way
Naples, FL. 34110
Phone: (239) 254-2000
Florida Certificate of
Authorization No.1772

**NAPLES RESERVE
STORMWATER
MANAGEMENT EXHIBIT 'A1'**

CHECKED BY : W.T.C.	PROJECT No. 2013.030
DRAWN BY : JON	CAD FILE NAME: 3030CDD
DATE : 1/29/18	EXHIBIT - ITEM EXHIBIT A1

**NAPLES RESERVE
COMMUNITY DEVELOPMENT DISTRICT**

8

**Naples Reserve
Community
Development District**

FINANCIAL STATEMENTS

September 30, 2017



CRI CARR
RIGGS &
INGRAM
CPAs and Advisors

CRIcpa.com

Naples Reserve Community Development District
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September 30, 2017

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Carr, Riggs & Ingram, LLC
Certified Public Accountants
500 Grand Boulevard
Suite 210
Miramar Beach, Florida 32550

(850) 837-3141
(850) 654-4619 (fax)
CRIcpa.com

INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors
Naples Reserve Community Development District
Collier County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Naples Reserve Community Development District (hereinafter referred to as "District"), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of September 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 9, 2018, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida
April 9, 2018



Management's Discussion And Analysis

Naples Reserve Community Development District Management's Discussion and Analysis

Our discussion and analysis of the Naples Reserve Community Development District's financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2017. Please read it in conjunction with the District's financial statements, which begin on page 8.

FINANCIAL HIGHLIGHTS

- At September 30, 2017, the assets of the District exceeded its liabilities by approximately \$6.7 million.
- During the fiscal year ended September 30, 2017, the District incurred approximately \$408,000 of interest expenditures and repaid approximately \$115,000 of outstanding long-term principal.

USING THE ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities on pages 8 – 9 provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements start on page 10. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.

Reporting the District as a Whole

Our analysis of the District as a whole begins on page 4. One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and related changes during the current year. You can think of the District's net position – the difference between assets and liabilities – as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position is one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors; however, such as changes in the District's assessment base and the condition of the District's infrastructure, to assess the overall health of the District.

Naples Reserve Community Development District Management's Discussion and Analysis

Reporting the District's Most Significant Funds

Our analysis of the District's major funds begins on page 5. The fund financial statements begin on page 10 and provide detailed information about the most significant funds – not the District as a whole. Some funds are required to be established by State law and by bond covenants. All of the District's funds are governmental fund-types.

- *Governmental funds* – All of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

THE DISTRICT AS A WHOLE

The following table reflects the condensed Statement of Net Position and is compared to the prior year. The prior year amounts reflect the effect of the prior period adjustment (See Note 9 to the financial statements).

<i>September 30,</i>	2017	2016	Change
Assets			
Current and other assets	\$ 953,730	\$ 917,071	\$ 36,659
Capital assets, net	13,390,025	13,851,750	(461,725)
Total assets	\$ 14,343,755	\$ 14,768,821	\$ (425,066)
Liabilities			
Current liabilities	\$ 339,949	\$ 330,976	\$ 8,973
Other liabilities	7,347,618	7,464,150	(116,532)
Total liabilities	7,687,567	7,795,126	(107,559)
Net position			
Net investment in capital assets	13,411,680	13,773,111	(361,431)
Restricted for:			
Debt service	184,991	155,946	29,045
Capital projects	6	6	-
Unrestricted	(6,940,489)	(6,955,368)	14,879
Total net position	6,656,188	6,973,695	(317,507)
Total liabilities and net position	\$ 14,343,755	\$ 14,768,821	\$ (425,066)

For more detailed information, see the accompanying Statement of Net Position.

Naples Reserve Community Development District Management's Discussion and Analysis

During the fiscal year ended September 30, 2017, total assets and liabilities decreased by approximately \$425,000 and \$108,000, respectively, from the prior fiscal year. The decrease in assets is primarily due to the depreciation of capital assets. The decrease in liabilities is primarily due to principal payments on long term debt made by the District in the current year.

The following schedule compares the Statement of Activities for the current and previous fiscal year. The prior year amounts reflect the effect of the prior period adjustment (See Note 9 to the financial statements).

<i>Year ended September 30,</i>	2017	2016	Change
Revenues:			
Program revenues:			
Charges for services	\$ 606,395	\$ 618,459	\$ (12,064)
Grants and contributions	22,667	14,601,302	(14,578,635)
Total revenues	629,062	15,219,761	(14,590,699)
Expenses:			
General government	75,533	72,991	2,542
Unallocated depreciation	461,725	-	461,725
Conveyance	-	6,975,210	(6,975,210)
Interest	409,311	414,318	(5,007)
Total expenses	946,569	7,462,519	(6,515,950)
Change in net position	(317,507)	7,757,242	(8,074,749)
Net position (deficit), beginning	6,973,695	(783,547)	7,757,242
Net position, ending	\$ 6,656,188	\$ 6,973,695	\$ (317,507)

For more detailed information, see the accompanying Statement of Activities.

Revenues and expenses decreased by approximately \$14.6 million and \$6.5 million, respectively. The decrease in revenues and expenses is primarily due to the conveyance of capital assets to and from the District during the prior fiscal year. The overall result was a \$317,507 decrease in net position for fiscal year 2017.

THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds (as presented in the balance sheet on page 10) reported a combined fund balance of approximately \$902,000, which is an increase over last year's balance that totaled approximately \$872,000. Significant transactions are discussed below.

Naples Reserve Community Development District Management's Discussion and Analysis

- During the fiscal year ended September 30, 2017, the District incurred approximately \$408,000 of interest expenditures and repaid approximately \$115,000 of outstanding long-term principal.

The overall increase in fund balance for the year ended September 30, 2017 totaled approximately \$30,000.

GOVERNMENTAL FUNDS BUDGETARY HIGHLIGHTS

An Operating budget was established by the governing board for the District pursuant to the requirements of Florida Statutes. The budget to actual comparison for the general fund, including the original budget and final adopted budget, is shown at page 24.

The District experienced favorable variances in revenues and expenditures as compared to the budget in the amount of \$681 and \$14,686, respectively. The variance in expenditures occurred primarily due to anticipated operating expenditures that were not incurred during the year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2017, the District had approximately \$13.4 million invested in capital assets (net of depreciation). This amount represents a net decrease (including additions and deductions) of approximately \$462,000 from the fiscal year 2016 total.

A listing of capital assets by major category for the current and prior year is as follows. The prior year amounts reflect the effect of the prior period adjustment (See Note 9 to the financial statements).

<i>September 30,</i>	2017	2016	Change
Capital assets being depreciated	\$ 13,390,025	\$ 13,851,750	\$ (461,725)

More information about the District's capital assets is presented in Note 4 to the financial statements.

Debt

At September 30, 2017, the District had approximately \$7.6 million of bonds outstanding. This amount represents a decrease of \$115,000 from the fiscal year 2016 total.

Naples Reserve Community Development District Management's Discussion and Analysis

A listing of debt amounts outstanding for the current and prior year is as follows:

<i>September 30,</i>	2017	2016	Change
Series 2014 bonds	\$ 7,565,000	\$ 7,680,000	\$ (115,000)

More information about the District's long-term debt is presented in Note 5 to the financial statements.

FUTURE FINANCIAL FACTORS

Naples Reserve Community Development District is an independent special district that operates under the provisions of Chapter 190, Florida Statutes. The District operates under an elected Board of Supervisors, which establishes policy and sets assessment rates. Assessment rates for fiscal year 2018 were established to provide for the operations of the District as well as the necessary debt service requirements.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances. If you have questions about this report or need additional financial information, contact the Naples Reserve Community Development District's management company, Wrathell, Hunt & Associates, LLC, at 2300 Glades Road, Suite 410W, Boca Raton, Florida 33431.



Basic Financial Statements

**Naples Reserve Community Development District
Statement of Net Position**

September 30,

2017

		Governmental Activities
Assets		
Cash and cash equivalents	\$	654,848
Investments		21,761
Accounts receivable		1,394
Due from developer		275,727
Capital assets:		
Depreciable		13,390,025
<hr/>		
Total assets		14,343,755
<hr/>		
Liabilities		
Accounts payable		11,900
Accrued interest payable		168,912
Due to developer		37,637
Developer advances		1,500
Non-current liabilities:		
Due within one year		120,000
Due in more than one year		7,347,618
<hr/>		
Total liabilities		7,687,567
<hr/>		
Net position		
Net investment in capital assets		13,411,680
Restricted for:		
Debt service		184,991
Capital projects		6
Unrestricted		(6,940,489)
<hr/>		
Total net position	\$	6,656,188

The accompanying notes are an integral part of these financial statements.

Naples Reserve Community Development District Statement of Activities

Year ended September 30,

2017

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	<u>Net (Expense) Revenue and Changes in Net Position</u>
Primary government:						
Governmental activities:						
General government	\$ (75,533)	\$ 90,412	\$ -	\$ -	\$ 14,879	\$ 14,879
Unallocated depreciation	(461,725)	-	-	-	(461,725)	(461,725)
Interest	(409,311)	515,983	22,667	-	129,339	129,339
Total governmental activities	\$ (946,569)	\$ 606,395	\$ 22,667	\$ -	(317,507)	(317,507)

Net position - beginning of year	9,076,976
Effect of correction to capital asset values (Note 9)	(2,103,281)
Net position - beginning of year, as restated	6,973,695
Net position - end of year	\$ 6,656,188

The accompanying notes are an integral part of these financial statements.

**Naples Reserve Community Development District
Balance Sheet – Governmental Funds**

September 30,

2017

	General Fund	Debt Service	Non-major	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 49,553	\$ 605,289	\$ 6	\$ 654,848
Accounts receivable	128	1,266	-	1,394
Investments	-	21,761	-	21,761
Due from developer	35,560	240,167	-	275,727
Due from other funds	-	11	-	11
Total assets	\$ 85,241	\$ 868,494	\$ 6	\$ 953,741
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 11,900	\$ -	\$ -	\$ 11,900
Due to developer	37,637	-	-	37,637
Due to other funds	11	-	-	11
Developer advances	1,500	-	-	1,500
Total liabilities	51,048	-	-	51,048
Deferred Inflows of Resources				
Deferred revenue	1	528	-	529
Total deferred inflows of resources	1	528	-	529
Fund balances				
Reserved for debt service	-	867,966	-	867,966
Reserved for capital projects	-	-	6	6
Unassigned	34,192	-	-	34,192
Total fund balances	34,192	867,966	6	902,164
Total liabilities and fund balances	\$ 85,241	\$ 868,494	\$ 6	\$ 953,741

The accompanying notes are an integral part of these financial statements.

**Naples Reserve Community Development District
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of
Net Position**

<i>September 30,</i>	2017
Total fund balances, governmental funds	\$ 902,164
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund level statements.	13,390,025
Liabilities not due and payable from current resources are not reported in the fund level statements.	(7,636,530)
Revenue reported as deferred revenue in the Balance Sheet - Governmental Funds that has not been collected and was recognized as revenue in a prior year in the government-wide financial statement.	529
Total net position - governmental activities	\$ 6,656,188

The accompanying notes are an integral part of these financial statements.

**Naples Reserve Community Development District
Statement of Revenues, Expenditures and Changes in Fund Balances –
Governmental Funds**

Year ended September 30,

2017

	General Fund	Debt Service	Non-major	Total Governmental Funds
Revenues				
Assessments	\$ 90,412	\$ 515,983	\$ -	\$ 606,395
Prepayment revenue	-	21,757	-	21,757
Interest	-	910	-	910
Total revenues	90,412	538,650	-	629,062
Expenditures				
Current:				
General government	75,045	-	-	75,045
Debt service:				
Principal	-	115,000	-	115,000
Interest	-	408,119	-	408,119
Capital outlay	-	-	488	488
Total expenditures	75,045	523,119	488	598,652
Excess (deficit) of revenues over expenditures	15,367	15,531	(488)	30,410
Other Financing Sources (Uses)				
Transfers in	-	-	488	488
Transfers out	(488)	-	-	(488)
Total other financing sources (uses)	(488)	-	488	-
Net change in fund balances	14,879	15,531	-	30,410
Fund balances, beginning of year	19,313	852,435	6	871,754
Fund balances, end of year	\$ 34,192	\$ 867,966	\$ 6	\$ 902,164

The accompanying notes are an integral part of these financial statements.

**Naples Reserve Community Development District
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balances of Governmental Funds to the Statement of Activities**

<i>Year ended September 30,</i>	2017
Net change in fund balances - governmental funds	\$ 30,410
Depreciation on capital assets is not recognized in the fund financial statements but is reported as an expense in the Statement of Activities.	(461,725)
Amortization of original issue discount is not recognized in the governmental funds statement but is reported as an expense in the Statement of Activities.	(3,468)
Governmental funds report principal payments on bonds when debt is paid, whereas these payments are eliminated in the Statement of Activities and recognized as a decrease in bonds payable in the Statement of Net Position.	115,000
The change in accrued interest between the current and prior year is recorded on the Statement of Activities but not on the fund financial statements.	2,276
Change in net position of governmental activities	\$ (317,507)

The accompanying notes are an integral part of these financial statements.

Naples Reserve Community Development District Notes to Financial Statements

NOTE 1: NATURE OF ORGANIZATION

The Naples Reserve Community Development District (the "District") was established on July 22, 2008 pursuant to Chapter 190, Florida Statutes, by Collier County Ordinance No. 08-37. The District has among other things, the power to manage basic services for community development, power to borrow money and issue bonds, and the power to levy ad valorem taxes and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of a portion of the infrastructure necessary for community development within the District.

The District is governed by a Board of Supervisors ("Board"), which is comprised of five members. The Supervisors are elected on an at large basis by the owners of the property within the District. Certain supervisors are affiliated with the developer of the District, iStar Financial, Inc., or affiliated entities (collectively referred to as the "Developer"). The Board of Supervisors of the District exercises all powers granted to the District pursuant to Chapter 190, Florida Statutes.

The Board has the final responsibility for:

1. Assessing and levying assessments.
2. Approving budgets.
3. Exercising control over facilities and properties.
4. Controlling the use of funds generated by the District.
5. Approving the hiring and firing of key personnel.
6. Financing improvements.

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include or exclude a potential component unit in the reporting entity was made by applying the criteria set forth by Generally Accepted Accounting Principles (GAAP) as defined by the Governmental Accounting Standards Board (GASB). Based on the foregoing criteria, no potential component units were found.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the District conform to GAAP as applicable to governments in accordance with those promulgated by GASB. The following is a summary of the more significant policies:

Government-wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements.

Naples Reserve Community Development District Notes to Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by assessments, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The business-type activities are reported separately in government-wide financial statements; however, at September 30, 2017, the District did not have any significant business-type activities. Therefore, no business-type activities are reported. Assessments and other items not properly included as program revenues (i.e., charges to customers or applicants who purchase, use, or directly benefit from goods or services) are reported as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Assessments are recognized as revenues in the year for which they are levied. Grants and other similar items are to be recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Developer contributions and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

General Fund – The General Fund is the primary operating fund of the District. It is used to account for all financial resources except those required to be accounted for in other funds.

Naples Reserve Community Development District Notes to Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for the annual payment of principal and interest on long-term debt for the Series 2014 Bonds.

For the year ended September 30, 2017, the District does not report any proprietary funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, or unassigned resources are available for use in governmental fund financial statements, it is the government's policy to use committed resources first, followed by assigned resources, and then unassigned resources as needed.

Cash, Deposits and Investments

The District maintains deposits with "Qualified Public Depositories" as defined in Chapter 280, Florida Statutes. All Qualified Public Depositories must place with the Treasurer of the State of Florida securities in accordance with collateral requirements determined by the State's Chief Financial Officer. In the event of default by a Qualified Public Depository, the State Treasurer will pay public depositors all losses. Losses in excess of insurance and collateral will be paid through assessments between all Qualified Public Depositories.

Under this method, all the District's deposits are fully insured or collateralized at the highest level of security as defined by GASB, Statement Number 40, *Deposits and Investment Disclosures (An Amendment of GASB, Statement Number 3)*.

The District is authorized to invest in financial instruments as established by Section 218.415, Florida Statutes. The authorized investments include among others direct obligations of the U.S. Treasury; the Local Government Surplus Trust Funds as created by Section 218.415, Florida Statutes; SEC registered money market funds with the highest credit quality rating from a nationally recognized rating agency; and interest-bearing time deposits or savings accounts in authorized financial institutions.

Capital Assets

Capital assets, which include primarily infrastructure assets (e.g., roads, sidewalks, water management systems and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial/individual cost of more than \$5,000 and an estimated useful life in excess of 2 years. Such assets are recorded at historical cost and estimated historical cost if purchased or constructed. Donated assets are recorded at estimated fair market value at the date of donation.

Naples Reserve Community Development District Notes to Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives: Infrastructure, 30 years.

In the governmental fund financial statements, amounts incurred for the acquisition of capital assets are reported as fund expenditures. Depreciation expense is not reported in the governmental fund financial statements.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line or effective interest method. Bonds payable are reported net of these premiums or discounts. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current period expenses.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometime include a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any of this type of item at September 30, 2017.

In addition to liabilities, the Statement of Net Position or Balance Sheet – Governmental Funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or revenue that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District only has one item that qualifies for reporting in this category: deferred revenue, which is reported in the Statement of Net Position and Balance Sheet – Governmental Funds.

Naples Reserve Community Development District Notes to Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity

Net position in the government-wide financial statements represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources and is categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents assets related to infrastructure and property, plant and equipment, net of any related debt. Restricted net position represents the assets restricted by the District's bond covenants.

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the District board through approval of resolutions. Assigned fund balance is a limitation imposed by a designee of the District board. Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

Budgets

The District is required to establish a budgetary system and an approved annual budget. Annual budgets are legally adopted on a basis consistent with GAAP for the General Fund. Any revision to the budget must be approved by the District Board. The budgets are compared to actual expenditures. In instances where budget appropriations and estimated revenues have been revised during the year, budget data presented in the financial statements represent final authorization amounts.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- A. Each year the District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
- B. A public hearing is conducted to obtain comments.
- C. Prior to October 1, the budget is legally adopted by the District Board.
- D. All budget changes must be approved by the District Board.
- E. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

Naples Reserve Community Development District Notes to Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 3: INVESTMENTS

All investments held at September 30, 2017 consist of money market funds in which shares are owned in the fund rather than the underlying investments. In accordance with GASB 72, *Fair Value Measurement and Application*, these amounts are reported at amortized cost.

The following is a summary of the District's investments:

<u>September 30,</u>	<u>2017</u>	<u>Credit Risk</u>	<u>Weighted Average Maturities</u>
Short-term Money Market Funds	\$ 21,761	S&P AAAM	23 days
Total investments	\$ 21,761		

Concentration risk – The District's investment policy requires diversification, but does not specify limits on types of investments.

Custodial credit risk – For an investment, custodial credit risk is the risk that the District will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. The District has no formal policy for custodial risk. At September 30, 2017, none of the investments listed above are exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Interest rate risk – The District does not have a formal policy for addressing interest rate risk; however, investments are made with discretion, to seek reasonable returns, preserve capital, and in general, avoid speculative investments. The District manages its exposure to declines in fair values from interest rate changes by reviewing the portfolio on an ongoing basis for changes in effective yield amounts.

Naples Reserve Community Development District Notes to Financial Statements

NOTE 4: CAPITAL ASSETS

The District is generally being developed in two phases. Total infrastructure improvements for Phase I of the District were estimated to cost approximately \$26 million. Of that amount, a portion was funded from the Series 2014 Bonds. The District completed Phase I of the project in fiscal year 2016. In addition, the District anticipates issuing additional bonds to fund a portion of the master infrastructure for the remaining District lands.

The following is a summary of changes in the capital assets for the year ended September 30, 2017. The prior year amounts reflect the effect of the prior period adjustment (see Note 9):

	Beginning Balance	Additions	Transfers and Conveyances	Ending Balance
Governmental Activities:				
<i>Capital assets being depreciated:</i>				
Irrigation water system	\$ 1,821,600	\$ -	\$ -	\$ 1,821,600
Earthwork and clearing	10,200,960	-	-	10,200,960
Stormwater management system	1,829,190	-	-	1,829,190
Total capital assets, being depreciated	13,851,750	-	-	13,851,750
<i>Less accumulated depreciation for:</i>				
Irrigation water system	-	60,720	-	60,720
Earthwork and clearing	-	340,032	-	340,032
Stormwater management system	-	60,973	-	60,973
Total accumulated depreciation	-	461,725	-	461,725
Total capital assets, being depreciated, net	\$ 13,851,750	\$ (461,725)	\$ -	\$ 13,390,025

NOTE 5: BONDS PAYABLE

On August 28, 2014, the District issued \$7,680,000 of Special Assessment Bonds, Series 2014 consisting of \$1,425,000 2014 Term Bonds due on November 1, 2025 with a fixed interest rate of 4.75%, \$2,315,000 of 2014 Term Bonds due on November 1, 2035 with a fixed interest rate of 5.25%, and \$3,940,000 of 2014 Term Bonds due on November 1, 2045 with a fixed interest rate of 5.625%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District. Interest is paid semiannually on each May 1 and November 1. Principal is paid serially commencing on November 1, 2016, November 1, 2026, and November 1, 2036.

Naples Reserve Community Development District Notes to Financial Statements

NOTE 5: BONDS PAYABLE (Continued)

The Bond Indenture has certain restrictions and requirements relating principally to the use of proceeds to pay for infrastructure improvements and the procedure to be followed by the District on assessments to property owners. The District agreed to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the debt service reserve requirement. The District is in compliance with the requirements of the Bond Indenture.

The Bond Indenture requires that the District maintain adequate funds in the reserve account to meet the debt service reserve requirement as defined in the Indenture. The requirement has been met for the fiscal year ended September 30, 2017.

Long-term liability activity for the year ended September 30, 2017, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<i>Governmental Activities</i>					
Bonds Payable:					
Series 2014	\$ 7,680,000	\$ -	\$ 115,000	\$ 7,565,000	\$ 120,000
	\$ 7,680,000	\$ -	\$ 115,000	\$ 7,565,000	\$ 120,000

At September 30, 2017, the scheduled debt service requirements on long-term debt were as follows:

Year Ending September 30,	Principal	Interest	Total Debt Service
2018	\$ 120,000	\$ 402,538	\$ 522,538
2019	125,000	396,719	521,719
2020	130,000	390,663	520,663
2021	140,000	384,250	524,250
2022	145,000	377,481	522,481
2023-2027	830,000	1,770,581	2,600,581
2028-2032	1,060,000	1,535,475	2,595,475
2033-2037	1,380,000	1,208,353	2,588,353
2038-2042	1,800,000	780,469	2,580,469
2043-2046	1,835,000	213,891	2,048,891
	\$ 7,565,000	\$ 7,460,420	\$ 15,025,420

Naples Reserve Community Development District Notes to Financial Statements

NOTE 5: BONDS PAYABLE (Continued)

The balance of the Series 2014 Bonds at September 30, 2017 is summarized as follows:

<i>September 30,</i>	2017
Bond principal balance	\$ 7,565,000
Less unamortized bond discount	(97,382)
Net balance, Series 2014 Bonds	\$ 7,467,618

NOTE 6: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District maintains commercial insurance coverage to mitigate the risk of loss. Coverage may not extend to all situations. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. The District has not filed any claims under this commercial coverage during the last three years.

NOTE 7: MANAGEMENT COMPANY

The District has contracted with a management company to perform management advisory services, which include financial and accounting advisory services. Certain employees of the management company also serve as officers (Board appointed non-voting positions) of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting, and other administrative costs.

NOTE 8: RELATED PARTY TRANSACTIONS

For the year ended September 30, 2017, the Developer was assessed \$71,118 and \$405,084 for operations and maintenance and debt service, respectively. At September 30, 2017, the Developer owed the District \$275,727, which is reported as Due from developer in the accompanying Statement of Net Position and Balance Sheet – Governmental Funds. The Developer paid the District the amounts due in October 2017.

A significant portion of the District's future activity is dependent upon the continued involvement of the Developer, the loss of which could have a material adverse effect on the District's operations. At September 30, 2017, the Developer owned a majority of the assessable property located within the District boundaries.



Naples Reserve Community Development District Notes to Financial Statements

NOTE 9: PRIOR PERIOD ADJUSTMENT

During the fiscal year ended September 30, 2017, the District discovered that it had improperly valued fixed assets during fiscal year ended September 30, 2016. The correction of this error reduced Net position - beginning of year by \$2,103,281, as presented on the accompanying Statement of Activities.



**Required Supplemental Information
(Other Than MD&A)**

**Naples Reserve Community Development District
Budget to Actual Comparison Schedule – General Fund**

Year ended September 30,

2017

	Original and Final Budget	Actual Amounts	Variance with Final Budget
Revenues			
Assessments	\$ 89,731	\$ 90,412	\$ 681
Total revenues	89,731	90,412	681
Expenditures			
General government	89,731	75,045	14,686
Total expenditures	89,731	75,045	14,686
Excess of revenues over expenditures	\$ -	\$ 15,367	\$ 15,367



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Supervisors
Naples Reserve Community Development District
Collier County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Naples Reserve Community Development District (hereinafter referred to as the "District"), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated April 9, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida

April 9, 2018



Carr, Riggs & Ingram, LLC
Certified Public Accountants
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Miramar Beach, Florida 32550

MANAGEMENT LETTER

To the Board of Supervisors
Naples Reserve Community Development District
Collier County, Florida

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Report on the Financial Statements

We have audited the financial statements of Naples Reserve Community Development District ("District") as of and for the fiscal year ended September 30, 2017, and have issued our report thereon dated April 9, 2018.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in these reports, which are dated April 9, 2018, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding annual audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The information required is disclosed in the notes to the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Annual Financial Report

Sections 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the annual financial report for the District for the fiscal year ended September 30, 2017, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2017. In connection with our audit, we determined that these two reports were in agreement.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida
April 9, 2018



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INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Supervisors
Naples Reserve Community Development District
Collier County, Florida

We have examined Naples Reserve Community Development District's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2017. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2017.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida
April 9, 2018

**NAPLES RESERVE
COMMUNITY DEVELOPMENT DISTRICT**

9

RESOLUTION 2018-03

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
NAPLES RESERVE COMMUNITY DEVELOPMENT
DISTRICT HEREBY ACCEPTING THE AUDITED
FINANCIAL REPORT FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2017**

WHEREAS, the District’s Auditor, Carr, Riggs & Ingram , LLC, has heretofore prepared and submitted to the Board, for accepting, the District’s Audited Financial Report for Fiscal Year 2017;

**NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF
SUPERVISORS OF THE NAPLES RESERVE COMMUNITY
DEVELOPMENT DISTRICT;**

1. The Audited Financial Report for Fiscal Year 2017, heretofore submitted to the Board, is hereby accepted for Fiscal Year 2017, for the period ending September 30, 2017; and
2. A verified copy of said Audited Financial Report for Fiscal Year 2017 shall be attached hereto as an exhibit to this Resolution, in the District’s “Official Record of Proceedings”.

PASSED AND ADOPTED this ____ day of _____, 2018.

**NAPLES RESERVE COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

Chair/Vice Chair

**NAPLES RESERVE
COMMUNITY DEVELOPMENT DISTRICT**

10

RESOLUTION 2018-04

A RESOLUTION OF THE BOARD OF SUPERVISORS OF NAPLES RESERVE COMMUNITY DEVELOPMENT DISTRICT APPROVING A PROPOSED BUDGET FOR FISCAL YEAR 2018/2019 AND SETTING A PUBLIC HEARING THEREON PURSUANT TO FLORIDA LAW AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the District Manager has heretofore prepared and submitted to the Board of Supervisors of Naples Reserve Community Development District (the "Board") prior to June 15, 2018, a proposed operating budget for Fiscal Year 2018/2019; and

WHEREAS, the Board has considered the proposed budget and desires to set the required public hearing thereon.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF NAPLES RESERVE COMMUNITY DEVELOPMENT DISTRICT:

1. The operating budget proposed by the District Manager for Fiscal Year 2018/2019 attached hereto as **Exhibit A** is hereby approved as the basis for conducting a public hearing to adopt said budget.
2. A public hearing on said approved budget is hereby declared and set for the following date, hour and location:

DATE: August 21, 2018

HOUR: 11:00 A.M.

LOCATION: Coleman, Yovanovich & Koester, P.A.
Northern Trust Bank Building,
4001 Tamiami Trail N., Suite 300,
Naples, Florida 34103

3. The District Manager is hereby directed to submit a copy of the proposed budget to Collier County at least 60 days prior to the hearing set above.
4. In accordance with Section 189.016, Florida Statutes, the District's Secretary is further directed to post these approved budgets on the District's website at least two days before the budget hearing date as set forth in Section 2.
5. Notice of this public hearing shall be published in the manner prescribed in Florida law.

6. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED THIS _____ day of _____, 2018.

ATTEST:

**BOARD OF SUPERVISORS
NAPLES RESERVE
COMMUNITY DEVELOPMENT
DISTRICT**

Secretary/Assistant Secretary

By: _____

Its: _____

EXHIBIT A

**NAPLES RESERVE
COMMUNITY DEVELOPMENT DISTRICT
PROPOSED BUDGET
FISCAL YEAR 2019
PREPARED APRIL 24, 2018**

**NAPLES RESERVE
COMMUNITY DEVELOPMENT DISTRICT
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Description	Page Number(s)
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Assessment Table	7

**NAPLES RESERVE
COMMUNITY DEVELOPMENT DISTRICT
GENERAL FUND BUDGET
FISCAL YEAR 2019
PREPARED APRIL 24, 2018**

	Fiscal Year 2018			Total Revenue and Expenditures	Proposed Budget FY 2019
	Adopted Budget FY 2018	Actual through 03/31/18	Projected through 9/30/2018		
REVENUES					
Assessment levy: on-roll	\$ 38,282				\$ 110,584
Allowable discount (4%)	(1,531)				(4,423)
Assessment levy - net	36,751	\$ 27,447	\$ 9,304	\$ 36,751	106,161
Assessment levy: off-roll	52,269	26,264	26,005	52,269	-
Total revenues	<u>89,020</u>	<u>53,711</u>	<u>35,309</u>	<u>89,020</u>	<u>106,161</u>
EXPENDITURES					
Supervisor fees	3,000	-	3,000	3,000	3,000
FICA taxes	230	-	230	230	230
Engineering	3,500	1,954	1,546	3,500	3,500
Audit*	6,000	4,750	1,250	6,000	7,000
Legal	10,000	244	9,756	10,000	10,000
Management/accounting/recording	48,960	24,080	24,880	48,960	48,960
Debt service fund accounting*	-	-	2,292	2,292	5,500
Postage	500	144	356	500	500
Insurance	5,500	5,750	-	5,750	6,325
Trustee	5,500	-	5,500	5,500	5,500
Trustee - second bond series*	-	-	-	-	5,500
Arbitrage rebate calculation*	750	-	750	750	1,500
Dissemination agent*	1,000	83	1,334	1,417	2,000
Telephone	50	25	25	50	50
Printing & binding	350	175	175	350	350
Legal advertising	1,200	284	916	1,200	1,200
Annual district filing fee	175	175	-	175	175
Contingencies	350	-	350	350	350
Website	615	616	-	616	650
Property appraiser	574	297	277	574	1,659
Tax collector	766	549	217	766	2,212
Total expenditures	<u>89,020</u>	<u>39,126</u>	<u>52,854</u>	<u>91,980</u>	<u>106,161</u>
Excess (deficiency) of revenues over/(under) expenditures	-	14,585	(17,545)	(2,960)	-
Fund balance - beginning (unaudited)	7,190	34,193	48,778	34,193	31,233
Fund balance - ending (projected)	<u>\$ 7,190</u>	<u>\$ 48,778</u>	<u>\$ 31,233</u>	<u>\$ 31,233</u>	<u>\$ 31,233</u>

*Includes estimated additional cost for second bond issuance.

**NAPLES RESERVE
COMMUNITY DEVELOPMENT DISTRICT
DEFINITIONS OF GENERAL FUND EXPENDITURES**

EXPENDITURES

Professional services

Supervisor fees	\$ 3,000
Statutorily set at \$200 for each meeting of the Board of Supervisors not to exceed \$4,800 for each fiscal year.	
FICA taxes	230
Payroll tax is 7.65% of gross wages.	
Management/accounting/recording	48,960
Wrathell, Hunt and Associates, LLC , specializes in managing Community Development Districts in the State of Florida by combining the knowledge, skills and experience of a team of professionals to ensure compliance with all governmental requirements of the District, develop financing programs, administer the issuance of tax exempt bond financings, and operate and maintain the assets of the community. This fee is inclusive of district management and recording services.	
Debt service fund accounting*	5,500
Legal	10,000
Coleman, Yovanovich & Koester, P.A. provides on-going general counsel and legal representation. As such, he is confronted with issues relating to public finance, public bidding, rulemaking, open meetings, public records, real property dedications, conveyances and contracts. In this capacity, he provides service as a "local government lawyer," realizing that this type of local government is very limited in its scope – providing infrastructure and services to developments.	
Engineering	3,500
Hole Montes, Inc., provides a broad array of engineering, consulting and construction services, which assist in the crafting of sustainable solutions for the long term interests of the community while recognizing the needs of government, the environment and maintenance of the District's facilities.	
Audit*	7,000
If certain revenue or expenditure thresholds are exceeded then Florida Statutes, Chapter 218.39 requires the District to have an independent examination of its books, records and accounting procedures.	
Arbitrage rebate calculation*	1,500
To ensure the District's compliance with all Tax Regulations, annual computations are necessary to calculate the arbitrage rebate liability.	
Dissemination agent*	2,000
The District must annually disseminate financial information in order to comply with the requirements of Rule 15c2-12 under the Securities Exchange Act of 1934.	
Trustee	5,500
Annual Fee paid to Wachovia Bank for the service provided as Trustee, Paying Agent and Registrar.	
Trustee - second bond series*	5,500
Telephone	50
Telephone and fax machine.	
Postage	500
Mailing of agenda packages, overnight deliveries, correspondence, etc.	
Printing & binding	350
Copies, agenda package items, etc.	

**NAPLES RESERVE
COMMUNITY DEVELOPMENT DISTRICT
DEFINITIONS OF GENERAL FUND EXPENDITURES**

EXPENDITURES (continued)

Legal advertising	1,200
The District advertises for monthly meetings, special meetings, public hearings, bidding,	
Annual district filing fee	175
Annual fee paid to the Florida Department of Economic Opportunity.	
Insurance	6,325
The District carries public officials and general liability insurance. The limit of liability is set at \$1,000,000 (general aggregate \$2,000,000) and \$1,000,000 for public officials liability.	
Contingencies	350
Bank charges and other miscellaneous expenses incurred during the year.	
Website	650
Maintenance of district's website.	
Property appraiser	
The property appraiser charges 1.5% of the assessments	
	1,659
Tax collector	
The tax collector charges 2% of the assessments collected.	
	2,212
Total expenditures	<u><u>\$ 106,161</u></u>

**NAPLES RESERVE
COMMUNITY DEVELOPMENT DISTRICT
DEBT SERVICE FUND BUDGET - SERIES 2014
FISCAL YEAR 2019
PREPARED MARCH 20, 2018**

	Fiscal Year 2018			Total Revenue and Expenditures	Proposed Budget FY 2019
	Adopted Budget FY 2018	Actual through 03/31/18	Projected through 9/30/2018		
REVENUES					
Assessment levy: on-roll	\$275,417				\$569,166
Allowable discount (4%)	(11,017)				(22,767)
Assessment levy - net	264,400	\$ 196,248	\$ 68,152	\$ 264,400	546,399
Assessment levy: off-roll	273,192	209,457	63,735	273,192	-
Assessment prepayments	-	-	14,707	14,707	-
Interest	-	616	-	616	-
Total revenues	<u>537,592</u>	<u>406,321</u>	<u>146,594</u>	<u>552,915</u>	<u>546,399</u>
EXPENDITURES					
Debt service					
Principal	120,000	120,000	-	120,000	125,000
Principal prepayment	-	25,000	-	25,000	15,000
Interest	402,538	202,694	199,844	402,538	395,375
Total debt service	<u>522,538</u>	<u>347,694</u>	<u>199,844</u>	<u>547,538</u>	<u>535,375</u>
Other fees & charges					
Property appraiser	4,131	1,708	2,423	4,131	8,537
Tax collector	5,508	3,924	-	3,924	11,383
Total other fees & charges	<u>9,639</u>	<u>5,632</u>	<u>2,423</u>	<u>8,055</u>	<u>19,920</u>
Total expenditures	<u>532,177</u>	<u>353,326</u>	<u>202,267</u>	<u>555,593</u>	<u>555,295</u>
Excess/(deficiency) of revenues over/(under) expenditures	5,415	52,995	(55,673)	(2,678)	(8,896)
Fund balance:					
Beginning fund balance	859,271	867,966	920,961	867,966	865,288
Ending fund balance (projected)	<u>\$ 864,686</u>	<u>\$ 920,961</u>	<u>\$ 865,288</u>	<u>\$ 865,288</u>	<u>856,392</u>
Use of fund balance					
Debt service reserve account balance (required)					(514,063)
Interest expense - November 1, 2019					(196,203)
Principal expense - November 1, 2019					(130,000)
Projected fund balance surplus/(deficit) as of September 30, 2019					<u>\$ 16,126</u>

NAPLES RESERVE

Community Development District

Series 2014

\$7,680,000

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
11/01/2018	125,000.00	4.750%	199,171.88	324,171.88
05/01/2019	-		196,203.13	196,203.13
11/01/2019	130,000.00	4.750%	196,203.13	326,203.13
05/01/2020	-		193,115.63	193,115.63
11/01/2020	135,000.00	4.750%	193,115.63	328,115.63
05/01/2021	-		189,909.38	189,909.38
11/01/2021	145,000.00	4.750%	189,909.38	334,909.38
05/01/2022	-		186,465.63	186,465.63
11/01/2022	150,000.00	4.750%	186,465.63	336,465.63
05/01/2023	-		182,903.13	182,903.13
11/01/2023	160,000.00	4.750%	182,903.13	342,903.13
05/01/2024	-		179,103.13	179,103.13
11/01/2024	165,000.00	4.750%	179,103.13	344,103.13
05/01/2025	-		175,184.38	175,184.38
11/01/2025	175,000.00	4.750%	175,184.38	350,184.38
05/01/2026	-		171,028.13	171,028.13
11/01/2026	180,000.00	5.250%	171,028.13	351,028.13
05/01/2027	-		166,303.13	166,303.13
11/01/2027	190,000.00	5.250%	166,303.13	356,303.13
05/01/2028	-		161,315.63	161,315.63
11/01/2028	200,000.00	5.250%	161,315.63	361,315.63
05/01/2029	-		156,065.63	156,065.63
11/01/2029	210,000.00	5.250%	156,065.63	366,065.63
05/01/2030	-		150,553.13	150,553.13
11/01/2030	225,000.00	5.250%	150,553.13	375,553.13
05/01/2031	-		144,646.88	144,646.88
11/01/2031	235,000.00	5.250%	144,646.88	379,646.88
05/01/2032	-		138,478.13	138,478.13
11/01/2032	245,000.00	5.250%	138,478.13	383,478.13
05/01/2033	-		132,046.88	132,046.88
11/01/2033	260,000.00	5.250%	132,046.88	392,046.88
05/01/2034	-		125,221.88	125,221.88
11/01/2034	275,000.00	5.250%	125,221.88	400,221.88
05/01/2035	-		118,003.13	118,003.13
11/01/2035	290,000.00	5.250%	118,003.13	408,003.13
05/01/2036	-		110,390.63	110,390.63

NAPLES RESERVE

Community Development District

Series 2014

\$7,680,000

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
11/01/2036	305,000.00	5.625%	110,390.63	415,390.63
05/01/2037	-		101,812.50	101,812.50
11/01/2037	320,000.00	5.625%	101,812.50	421,812.50
05/01/2038	-		92,812.50	92,812.50
11/01/2038	340,000.00	5.625%	92,812.50	432,812.50
05/01/2039	-		83,250.00	83,250.00
11/01/2039	355,000.00	5.625%	83,250.00	438,250.00
05/01/2040	-		73,265.63	73,265.63
11/01/2040	375,000.00	5.625%	73,265.63	448,265.63
05/01/2041	-		62,718.75	62,718.75
11/01/2041	400,000.00	5.625%	62,718.75	462,718.75
05/01/2042	-		51,468.75	51,468.75
11/01/2042	420,000.00	5.625%	51,468.75	471,468.75
05/01/2043	-		39,656.25	39,656.25
11/01/2043	445,000.00	5.625%	39,656.25	484,656.25
05/01/2044	-		27,140.63	27,140.63
11/01/2044	470,000.00	5.625%	27,140.63	497,140.63
05/01/2045	-		13,921.88	13,921.88
11/01/2045	495,000.00	5.625%	13,921.88	508,921.88
Total	\$7,420,000.00		\$7,045,140.84	\$14,465,140.84

**NAPLES RESERVE
COMMUNITY DEVELOPMENT DISTRICT
PROJECTED ASSESSMENTS
GENERAL FUND AND DEBT SERVICE FUND
FISCAL YEAR 2019**

On-Roll Assessments

Number of Units	Unit Type	Projected Fiscal Year 2019			FY 18 Assessment
		GF	DSF	GF & DSF	
79	85' x 130'	\$ 163.83	\$1,458.33	\$1,622.16	\$ 1,598.56
82	78' x 130'	163.83	1,250.00	1,413.83	1,390.23
116	64' x 130'	163.83	1,145.83	1,309.66	1,286.06
169	53' x 130'	163.83	1,041.67	1,205.50	1,181.90
51	40' x 130'	163.83	833.33	997.16	973.56
178	34' x 130' Villa	163.83	-	163.83	140.23
675					

Naples Reserve Community Development District

OFFICE OF THE DISTRICT MANAGER

2300 Glades Road, Suite 410W • Boca Raton, Florida 33431

Phone: (561) 571-0010 • Toll-free: (877) 276-0889 • Fax: (561) 571-0013

April 26, 2018

ATTENDEES:

Please identify yourself each time you speak to facilitate accurate transcription of meeting minutes.

Board of Supervisors
Naples Reserve Community Development District

Dear Board Members:

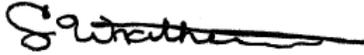
A Regular Meeting of the Naples Reserve Community Development District's Board of Supervisors will be held on May 3, 2018 at 11:00 a.m., at the offices of Coleman, Yovanovich & Koester, P.A., Northern Trust Bank Building, 4001 Tamiami Trail N., Suite 300, Naples, Florida 34103. The agenda is as follows:

1. Call to Order/Roll Call
2. Public Comments
3. Consideration of Appointment to Seat 2; *Term Expires November 2018*
 - Administration of Oath of Office to Newly Appointed Supervisor
 - Consideration of Resolution 2018-01, Electing Officers of the District
4. Consideration of Second Supplemental Special Assessment Methodology Report
5. Consideration of First Supplemental District Engineer's Report - 2018 Construction Bond
6. Consideration of Resolution 2018-02, a Resolution of the Board of Supervisors of Naples Reserve Community Development District Authorizing the Issuance of Not To Exceed \$10,000,000 Aggregate Principal Amount of Its Naples Reserve Community Development District (Collier County, Florida) Special Assessment Bonds, Series 2018 (the "Series 2018 Bonds"); Approving the Form of and Authorizing the Execution and Delivery of a Second Supplemental Trust Indenture Relating To the Series 2018 Bonds; Determining the Need For a Negotiated Limited Offering of the Series 2018 Bonds and Providing For a Delegated Award of Such Series 2018 Bonds; Appointing the Underwriter For the Limited Offering of the Series 2018 Bonds; Approving the Form of and Authorizing the Execution and Delivery of a Bond Purchase Agreement With Respect To the Series 2018 Bonds; Approving the Form of and Authorizing the Distribution of a Preliminary Limited Offering Memorandum; Approving the Execution and Delivery of a Final Limited Offering Memorandum; Approving the Form of and Authorizing the Execution of a Continuing Disclosure Agreement; Approving the

- Application of Bond Proceeds; Making Certain Declarations; Providing For the Registration of the Series 2018 Bonds Pursuant To the DTC Book-Entry Only System; Authorizing the Proper Officials To Do All Things Deemed Necessary In Connection With the Issuance, Sale and Delivery of the Series 2018 Bonds; Providing For Certain Other Matters; and Providing an Effective Date
7. Ratification of CDD Systems and Facilities Operation and Maintenance Agreement with Naples Reserve Homeowners Association, Inc.
 8. Presentation of Audited Financial Report for Fiscal Year Ended September 30, 2017, Prepared by Carr, Riggs & Ingram, LLC
 9. Consideration of Resolution 2018-03, Accepting the Audited Financial Report for the Fiscal Year Ended September 30, 2017
 10. Consideration of Resolution 2018-04, Approving the District's Proposed Budget for Fiscal Year 2018/2019 and Setting a Public Hearing Thereon Pursuant to Florida Law
 11. Consideration of Resolution 2018-05, Designating a Date, Time and Location for Landowners' Meeting [Seats 2, 3 & 5]
 12. Consideration of Addendum #1 to Wrathell, Hunt and Associates, LLC Agreement for Management Services
 13. Approval of Unaudited Financial Statements as of March 31, 2018
 14. Approval of August 29, 2017 Public Hearing and Regular Meeting Minutes
 15. Other Business
 16. Staff Reports
 - A. District Counsel: *Coleman, Yovanovich & Koester, P.A.*
 - B. District Engineer: *Hole Montes, Inc.*
 - C. District Manager: *Wrathell, Hunt and Associates, LLC*
 - i. 148 Registered Voters in District as of April 15, 2018
 - ii. NEXT MEETING DATE: August 21, 2018 at 11:00 A.M.
 17. Audience Comments/Supervisors' Requests
 18. Adjournment

Should you have any questions, please contact me directly at (561) 719-8675.

Sincerely,



Craig A. Wrathell
District Manager

FOR BOARD MEMBERS AND STAFF TO ATTEND BY TELEPHONE:

**Call-in number: 1-888-354-0094
Conference ID: 8518503**

**NAPLES RESERVE
COMMUNITY DEVELOPMENT DISTRICT**

11

**NAPLES RESERVE
COMMUNITY DEVELOPMENT DISTRICT**

12



Wrathell, Hunt and Associates, LLC

**ADDENDUM #1 TO AGREEMENT FOR MANAGEMENT SERVICES BETWEEN
NAPLES RESERVE COMMUNITY DEVELOPMENT DISTRICT AND
WRATHELL, HUNT & ASSOCIATES, LLC**

This document is in reference to a contract agreement dated December 3, 2012 between the following parties that are named below.

May it be known that the undersigned parties, for good consideration, do hereby agree to make the following changes and/or additions outlined below. These additions shall be made valid as if they are included in the original stated contract.

Accounting/Assessment Collection Services

Per Bond Debt Service Fund

\$5,500

No other terms or conditions of the above mentioned contract shall be negated or changed as a result of this here stated addendum.

**NAPLES RESERVE COMMUNITY
DEVELOPMENT DISTRICT**

Print Name: _____

By: _____
Print Name _____, Chair

Print Name: _____

WRATHELL, HUNT & ASSOCIATES, LLC

Print Name: _____

By: _____
Craig A. Wrathell, President & Partner

Print Name: _____

**NAPLES RESERVE
COMMUNITY DEVELOPMENT DISTRICT**

13

**NAPLES RESERVE
COMMUNITY DEVELOPMENT DISTRICT
FINANCIAL STATEMENTS
UNAUDITED
MARCH 31, 2018**

**NAPLES RESERVE
COMMUNITY DEVELOPMENT DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2018**

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash				
Available	\$ 50,278	\$ -	\$ -	\$ 50,278
Reserve	37,637	-	-	37,637
Investments				
Reserve	-	514,063	-	514,063
Revenue		302,822		302,822
Prepayment	-	23	-	23
Construction	-	-	6	6
Assessments receivable: off-roll	-	528	-	528
Due from Developer	1	-	-	1
Undeposited funds		104,053	-	104,053
Total assets	<u>\$ 87,916</u>	<u>\$ 921,489</u>	<u>\$ 6</u>	<u>\$ 1,009,411</u>
LIABILITIES				
Liabilities:				
Due to Developer	\$ 37,637	\$ -	\$ -	\$ 37,637
Developer advance	1,500	-	-	1,500
Total liabilities	<u>39,137</u>	<u>-</u>	<u>-</u>	<u>39,137</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred receipts	1	528	-	529
Total deferred inflow of resources	<u>1</u>	<u>528</u>	<u>-</u>	<u>529</u>
FUND BALANCES:				
Committed				
Debt service	-	920,961	-	920,961
Capital projects	-	-	6	6
Unassigned	48,778	-	-	48,778
Total fund balances	<u>48,778</u>	<u>920,961</u>	<u>6</u>	<u>969,745</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 87,916</u>	<u>\$ 921,489</u>	<u>\$ 6</u>	<u>\$ 1,009,411</u>

**NAPLES RESERVE
COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND
FOR THE PERIOD ENDED MARCH 31, 2018**

	Current Month	Year to Date	Budget	% of Budget
REVENUES				
Assessment levy: on-roll	\$ 595	\$ 27,447	\$ 36,751	75%
Assessment levy: off-roll	-	26,264	52,269	50%
Total revenues	<u>595</u>	<u>53,711</u>	<u>89,020</u>	60%
EXPENDITURES				
Supervisor fees	-	-	3,000	0%
FICA taxes	-	-	230	0%
Engineering	-	1,954	3,500	56%
Audit	4,750	4,750	6,000	79%
Legal	-	244	10,000	2%
Management, accounting, recording	4,000	24,080	48,960	49%
Postage	11	144	500	29%
Insurance	-	5,750	5,500	105%
Trustee	-	-	5,500	0%
Arbitrage rebate calculation	-	-	750	0%
Dissemination agent	-	83	1,000	8%
Telephone	4	25	50	50%
Printing & binding	29	175	350	50%
Legal advertising	-	284	1,200	24%
Annual district filing fee	-	175	175	100%
Contingencies	-	-	350	0%
Website	-	616	615	100%
Property appraiser	-	297	574	52%
Tax Collector	12	549	766	72%
Total expenditures	<u>8,806</u>	<u>39,126</u>	<u>89,020</u>	44%
Excess (deficiency) of revenues over/(under) expenditures	(8,211)	14,585	-	
Fund balance - beginning	<u>56,989</u>	<u>34,193</u>	<u>7,190</u>	
Fund balance - ending	<u>\$ 48,778</u>	<u>\$ 48,778</u>	<u>\$ 7,190</u>	

**NAPLES RESERVE
COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
DEBT SERVICE FUND - SERIES 2014
FOR THE PERIOD ENDED MARCH 31, 2018**

	Current Month	Year to Date	Budget	% of Budget
REVENUES				
Assessment levy: on-roll	\$ 4,255	\$ 196,248	\$ 264,400	74%
Assessment levy: off-roll	208,106	209,457	273,192	77%
Interest	108	616	-	N/A
Total revenues	<u>212,469</u>	<u>406,321</u>	<u>537,592</u>	76%
EXPENDITURES				
Debt service				
Principal	-	120,000	120,000	100%
Principal prepayments	-	25,000	-	N/A
Interest	-	202,694	402,538	50%
Total debt service	<u>-</u>	<u>347,694</u>	<u>522,538</u>	67%
Other fees and charges				
Tax collector	85	3,924	5,508	71%
Property appraiser	-	1,708	4,131	41%
Total other fees and charges	<u>85</u>	<u>5,632</u>	<u>9,639</u>	58%
Total expenditures	<u>85</u>	<u>353,326</u>	<u>532,177</u>	66%
Excess/(deficiency) of revenues over/(under) expenditures	212,384	52,995	5,415	
Fund balances - beginning	<u>708,577</u>	<u>867,966</u>	<u>859,271</u>	
Fund balances - ending	<u>\$ 920,961</u>	<u>\$ 920,961</u>	<u>\$ 864,686</u>	

**NAPLES RESERVE
COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUND - SERIES 2014
FOR THE PERIOD ENDED MARCH 31, 2018**

	<u>Current Month</u>	<u>Year to Date</u>
REVENUES	<u>\$ -</u>	<u>\$ -</u>
Total revenues	<u>-</u>	<u>-</u>
 EXPENDITURES		
Capital outlay	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>
 Excess (deficiency) of revenues over/(under) expenditures	 - -	 - -
 Fund balance - beginning	 6	 6
Fund balance - ending	<u><u>\$ 6</u></u>	<u><u>\$ 6</u></u>

**NAPLES RESERVE
COMMUNITY DEVELOPMENT DISTRICT**

14

1 **MINUTES OF MEETING**
2 **NAPLES RESERVE**
3 **COMMUNITY DEVELOPMENT DISTRICT**
4

5 A Public Hearing and Regular Meeting of the Naples Reserve Community Development
6 District's Board of Supervisors was held on **Wednesday, August 29, 2017 at 11:00 a.m.**, at the
7 offices of **Coleman, Yovanovich & Koester, P.A., Northern Trust Bank Building, 4001**
8 **Tamiami Trail N., Suite 300, Naples, Florida 34103.**
9

10 **Present at the meeting were:**

11 Donald Mears	Chair
12 Robert Mulhere	Vice Chair
13 Peter Rodino	Assistant Secretary
14 Joseph Davis	Assistant Secretary

15 **Also present were:**

16 Cindy Cerbone	District Manager
17 Michal Szymonowicz (<i>via telephone</i>)	Wrathell, Hunt and Associates, LLC
18 Greg Urbancic	District Counsel
19 Terry Cole	District Engineer
20 Oliver Bacovsky	D.R. Horton
21 Margaret Davis	Public

22 **FIRST ORDER OF BUSINESS**

23 **Call to Order/Roll Call**

24 Ms. Cerbone called the meeting to order at 11:00 a.m. Supervisors Mears, Rodino and
25 Davis were present, in person. Supervisor Mulhere was not present at roll call. One seat
26 remained vacant.

27 **SECOND ORDER OF BUSINESS**

28 **Public Comments**

29 There being no public comments, the next item followed.

30 **THIRD ORDER OF BUSINESS**

31 **Consideration of Appointment to Seat 2;**
32 ***Term Expires November 2018***

33 *****Mr. Mulhere arrived to the meeting at approximately 11:05 a.m.*****

34 Mr. Urbancic discussed the Ordinance that requires one Board seat to be filled by a
35 resident, once the District has residents occupying homes. It was difficult to find residents who
36

43 qualified to serve on the Board because, although an exhaustive search was conducted, most
44 residents were partial-year residents and not Florida residents. Mr. Mears stated that, since
45 February, he approached four individuals at well-attended HOA meetings; three of the four were
46 not full-time residents. The fourth appeared to be a perfect candidate and a Florida resident but
47 was out of the Country and would return probably in December. With the resignation of Mr. Jim
48 Moyle, a few months ago, it was important to appoint another Supervisor to have a full quorum.

49 Ms. Cerbone stated that, in November, 2018, two seats would come up for General
50 Election; therefore, the qualified candidate issue must be addressed. There would also be a
51 Landowners' Election.

52 Mr. Mears nominated Mr. Oliver Bacovsky to fill the unexpired term of Seat 2; term
53 expires November 2018. No other nominations were made.

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On MOTION by Mr. Rodino and seconded by Mr. Davis, with all in favor, the appointment of Mr. Oliver Bacovsky to Seat 2, term expires November 2018, was approved.

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• **Administration of Oath of Office to Newly Appointed Supervisor**

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Mr. Bacovsky indicated that he was not a U.S. citizen. Mr. Urbancic stated that Mr. Bacovsky would not be eligible to serve on the Board, as Board Members must be U.S. citizens.

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On MOTION by Mr. Mulhere and seconded by Mr. Rodino, with all in favor, rescinding the appointment of Mr. Oliver Bacovsky to Seat 2, term expires November 2018, was approved.

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• **Consideration of Resolution 2017-6, Electing Officers of the District**

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This item was deferred.

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FOURTH ORDER OF BUSINESS

Public Hearing to Hear Comments and Objections on Adoption of Fiscal Year 2017/2018 Budget

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A. Affidavit of Publication

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Ms. Cerbone presented the affidavit of publication for today's Public Hearing.

79 **B. Consideration of Resolution 2017-7, Relating to the Annual Appropriations and**
80 **Adopting the Budget for the Fiscal Year Beginning October 1, 2017 and Ending**
81 **September 30, 2018**

82 Ms. Cerbone presented Resolution 2017-7. Ms. Cerbone noted that the proposed budget
83 listed 208 on-roll units, which is the number that will be adopted; however, as of yesterday, there
84 were 245 and the most up-to-date information available will be submitted to the Tax Collector
85 for placement on the tax bills. In response to a question, Ms. Cerbone stated that the 245 on-roll
86 number was from the Property Appraiser's website. The 178 units, under "Off-Roll Payment –
87 Units not subject to Bonds", on Page 7, was an addition to the proposed budget; those units
88 would not be subject to the bond debt assessment. Mr. Mears asked why the assessments
89 decreased for Fiscal Year 2018. Ms. Cerbone replied because expenditures decreased slightly
90 and a periphery area to Phase 1 is not subject to bond assessment but is subject to the General
91 Fund assessment, resulting in more units to spread the General Fund assessment over, thus
92 decreasing that portion of the assessment amount for all property owners. Mr. Mears stated that
93 he must include a disclosure in the marketing/sales materials because he thought that, until those
94 units were in an area covered by a bond issuance, they would not pay any assessments. He
95 acknowledged that those units benefit from the infrastructure but the infrastructure is outside of
96 Phase 1. Ms. Cerbone stated that those units would not be assessed for the "infrastructure" bond
97 debt; they would pay the assessments related to regular operations of the District.

98 ******Mr. Szymonowicz joined at the meeting, via telephone.******

99 Mr. Szymonowicz, of Wrathell, Hunt and Associates, LLC (WHA), referenced Page 7,
100 regarding the off-roll General fund assessments for the 178 new off-roll units. More than 498
101 units were scheduled to be developed, as part of Phase 1, and were included in the previously
102 issued bonds. The current tax bills from the County revealed an additional 178 platted lots,
103 which were not part of the bond assessment area but were within the District. At one time, a
104 consensus was reached that it was appropriate for those units and, future platted units should
105 contribute to paying the administrative costs of the District. If at some point in the future bonds
106 are issued, those units would be responsible debt assessments related to that bond issuance. Mr.
107 Mears stated that D.R. Horton owns 28 of the 178 lots and asked, from a General Fund
108 standpoint, what benefit they would be receiving, if they are outside of the legal description for
109 the Phase 1 bond area. Mr. Szymonowicz replied that, essentially, by being in the District they
110 have the possibility of receiving any and all current and future services that the District provides.
111 While they are not receiving any infrastructure benefit that is paid for by District bonds, they are

112 participating in any future benefits that the Special Taxing District may provide, including any
113 improvements financed by bonds or any operating services, should those operating services ever
114 come under the guise of the District and paid for by District Special Assessments. From a legal
115 perspective, it would be difficult to justify any land that is in the boundaries of the District not
116 participating for any administrative costs of that District.

117 Mr. Mears was not aware of this and questioned what benefits those units receive for the
118 \$23,000 they would pay in General Fund assessments. Mr. Szymonowicz stated that it was no
119 different from prior to the issuance of the 2014 bonds, when the District assessed all of the land
120 in the District for the cost of operating the District, prior to the bonds being issued. Mr. Mears
121 stated that he now understood the benefit. Discussion ensued regarding amending the District’s
122 boundaries to eliminate those units. Mr. Mears was satisfied with the explanation; those units
123 benefit and utilize the District facilities, such as the stormwater and irrigation systems.

124 Ms. Cerbone stated that the new budget will be approximately \$88,171. She was relaying
125 some of the assessment updates that are more current and not included in version in the agenda.
126 Out of the 178 units, 28 units will be on-roll and 150 units will be off-roll, as of today.
127 Potentially, more units could be on-roll when submitting the file to the Tax Collector. Mr.
128 Szymonowicz agreed with Ms. Cerbone. Due to the timing, any changes to the off-roll/on-roll
129 numbers must be made within the next few days. The Truth in Millage (TRIM) Notices were
130 already sent; however, in Collier County, CDD’s are not on TRIM.

131 ******Mr. Szymonowicz left the meeting.******

132 ******Ms. Cerbone opened the Public Hearing.******

133 No members of the public spoke.

134 ******Ms. Cerbone closed the Public Hearing.******

136 **On MOTION by Mr. Mears and seconded by Mr. Mulhere,**
137 **with all in favor, Resolution 2017-7, Relating to the Annual**
138 **Appropriations and Adopting the Budget for the Fiscal Year**
139 **Beginning October 1, 2017 and Ending September 30, 2018,**
140 **was adopted.**

143 **FIFTH ORDER OF BUSINESS**

Consideration of Resolution 2017-8,
Imposing Special Assessments and
Certifying an Assessment Roll; Providing
a Severability Clause; and Providing an
Effective Date

149 Ms. Cerbone presented Resolution 2017-8.

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On MOTION by Mr. Mears and seconded by Mr. Rodino, with all in favor, Resolution 2017-8, Imposing Special Assessments and Certifying an Assessment Roll; Providing a Severability Clause; and Providing an Effective Date, was adopted.

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157 **SIXTH ORDER OF BUSINESS**

Consideration of Resolution 2017-9, Adopting the Annual Meeting Schedule for Fiscal Year 2017/2018

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161 Ms. Cerbone presented Resolution 2017-9. The September 25, 2018 meeting was
162 changed to August 21, 2018.

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On MOTION by Mr. Mulhere and seconded by Mr. Mears, with all in favor, Resolution 2017-9, Adopting the Annual Meeting Schedule for Fiscal Year 2017/2018, as amended, was adopted.

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170 **SEVENTH ORDER OF BUSINESS**

Consideration of Proposed Revised Fee Schedule from Hole Montes

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On MOTION by Mr. Mears and seconded by Mr. Rodino, with Mr. Mears, Mr. Rodino and Mr. Davis in favor and Mr. Mulhere abstaining, the Hole Montes Proposed Revised Fee Schedule, was approved.

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EIGHTH ORDER OF BUSINESS

Consideration of CDD Systems and Facilities Operation and Maintenance Agreement with Naples Reserve Homeowners Association, Inc.

Ms. Cerbone presented the CDD Systems and Facilities Operation and Maintenance Agreement with Naples Reserve Homeowners Association, Inc. (NRHOA). During the last

191 meeting, whether the District was at the point wherein it needed an Agreement with the HOA, or
192 with another party, related to maintenance of CDD assets that were not conveyed to the County
193 or wherein the District had maintenance responsibilities.

194 Discussion ensued regarding maintenance and the HOA, budgeting for maintenance if
195 this was not done, ensuring that the facilities will be maintained and the District Engineer’s role
196 in the Maintenance Agreement.

197 Mr. Mears would review the NRHOA items, at the next NRHOA meeting. Mr. Cole
198 would provide the Exhibit, Mr. Cole, Mr. Urbancic or NRHOA would provide the Annual
199 Report of the CDD infrastructure and Mr. Urbancic would add a footnote about irrigation and
200 landscape maintenance.

201

On MOTION by Mr. Mulhere and seconded by Mr. Mears, with all in favor, the CDD Systems and Facilities Operation and Maintenance Agreement with Naples Reserve Homeowners Association, Inc., subject to the amendments discussed and addition of exhibits and footnotes, was approved.

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NINTH ORDER OF BUSINESS Update: Utility Transfer

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There being nothing to report, the next item followed.

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TENTH ORDER OF BUSINESS Approval of Unaudited Financial Statements as of July 31, 2017

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217 Ms. Cerbone presented the Unaudited Financial Statements as of July 31, 2017. On-roll
218 assessment revenue collections were at 100% and off-roll were at 50%.

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On MOTION by Mr. Mears and seconded by Mr. Davis, with all in favor, the Unaudited Financial Statements as of July 31, 2017, were approved.

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ELEVENTH ORDER OF BUSINESS Approval of May 24, 2017 Regular Meeting Minutes

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229 Ms. Cerbone presented the May 24, 2017 Regular Meeting Minutes and asked for any additions, deletions or corrections.

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On MOTION by Mr. Mears and seconded by Mr. Mulhere, with all in favor, the May 24, 2017 Regular Meeting Minutes, as presented, were approved.

TWELFTH ORDER OF BUSINESS Other Business

Mr. Mears asked if installation of con-span was part of the Engineer’s Report. Mr. Cole stated that it was not specifically but it was a component of the water and sewer infrastructure.

THIRTEENTH ORDER OF BUSINESS Staff Reports

A. District Counsel

There being nothing additional to report, the next item followed.

B. District Manager

Regarding a question at the last meeting about the Developer contribution related to capital assets, as listed on the Audited Financial Report, Ms. Cerbone stated that the capital assets for the District are based on the Engineer’s Report. After a thorough review, there was an estimated \$2 million swing, in which capital assets were at about \$16 million, whereas they were probably about \$14 million; therefore, the external Auditor was provided with a synopsis of the determination and the work that the District Engineer, District Manager and Management’s Staff did. The Auditor understood that this was subjective and, for \$2 million, it was not necessary to do anything but the Board should be advised accordingly. When the next Audited Financials are prepared, the District will see a footnote to those financials stating that the opening balance was adjusted by \$2 million, between Developer contribution and capital assets.

FOURTEENTH ORDER OF BUSINESS Audience Comments/Supervisors’ Requests

There being no audience comments or Supervisors’ requests, the next item followed.

FIFTEENTH ORDER OF BUSINESS Adjournment

There being no further business to discuss, the meeting adjourned.

On MOTION by Mr. Mulhere and seconded by Mr. Mears, with all in favor, the meeting adjourned at 11:55 a.m.

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Secretary/Assistant Secretary

Chair/Vice Chair

DRAFT

**NAPLES RESERVE
COMMUNITY DEVELOPMENT DISTRICT**

16



Jennifer J. Edwards Supervisor of Elections

April 17, 2018

Naples Reserve CDD
Ms Daphne Gillyard
2300 Glades Rd Suite 410W
Boca Raton FL 33431

Dear Ms Gillyard,

In compliance with Chapter 190.06 Florida Statutes, this notice is to inform you that the official records of the Supervisor of Elections of Collier County indicate a total of 148 registered voters residing in the Naples Reserve CDD as of April 15, 2018.

Please contact us if and when electoral services are required for the district.

Sincerely,

David B Carpenter
Qualifying Officer
Collier County Supervisor of Elections
(239) 252-8501 davecarpenter@colliergo.net

