

NEW ISSUE - BOOK-ENTRY ONLY

NOT RATED

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and court decisions and assuming compliance with the tax covenants described herein, interest on the Series 2015 Bonds is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the Federal alternative minimum tax imposed on individuals and corporations. Such interest, however, will be includable in the calculation of a corporation's alternative minimum taxable income. See "TAX MATTERS" herein regarding certain other tax considerations.

LAKE ASHTON COMMUNITY DEVELOPMENT DISTRICT

\$ _____*

(City of Lake Wales, Polk County, Florida)

Capital Improvement Revenue Refunding Bonds, Series 2015

(Bank Qualified)

Dated: Date of original issuance

Due: May 1, as shown on the inside cover.

The Lake Ashton Community Development District Capital Improvement Revenue Refunding Bonds, Series 2015 (the "Series 2015 Bonds") are being issued by the Lake Ashton Community Development District (the "District") pursuant to a Master Trust Indenture dated as of February 1, 2001 (the "Master Indenture") between the District and U.S. Bank National Association, as successor in trust to Wachovia Bank, National Association, as trustee (the "Trustee"), as supplemented by a Fourth Supplemental Trust Indenture dated as of March 1, 2015, from the District to the Trustee (the "Supplemental Indenture" and, together with the Master Indenture, the "Indenture"). The Series 2015 Bonds are being issued only in fully registered form, in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof. The District was created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended, the Florida Constitution, and other applicable provisions of law (collectively, the "Act") and Ordinance No. 2000-11 of the City of Lake Wales, Florida (the "City").

The Series 2015 Bonds are payable from and secured by the Series 2015 Pledged Revenues, which consist of the revenues derived by the District from the Series 2015 Assessments. The Series 2015 Assessments are non ad-valorem special assessments levied against certain lands within the District that are subject to assessment as a result of the Refunded Project (hereinafter defined) or any portion thereof. The Series 2015 Bonds are also secured by the Funds and Accounts (except for the Series 2015 Rebate Account) established by the Supplemental Indenture (the "Series 2015 Pledged Funds and Accounts") which, together with the Series 2015 Pledged Revenues, comprise the Trust Estate securing the Series 2015 Bonds (the "Series 2015 Trust Estate"). See "SECURITY FOR AND SOURCE OF PAYMENT OF SERIES 2015 BONDS" and "THE SERIES 2015 ASSESSMENT AREA."

The Series 2015 Bonds, when issued, will be registered in the name of Cede & Co., as the owner and nominee for The Depository Trust Company ("DTC"), New York, New York. Purchases of beneficial interests in the Series 2015 Bonds will be made in book-entry only form. Accordingly, principal of and interest on the Series 2015 Bonds will be paid from the sources provided below by the Trustee directly to Cede & Co. as the nominee of DTC and the registered owner thereof. Disbursements of such payments to the DTC Participants 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 more fully described herein. Any purchaser as a beneficial owner of a Series 2015 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 2015 Bond. See "DESCRIPTION OF THE SERIES 2015 BONDS - Book-Entry Only System" herein. The Series 2015 Bonds will bear interest at the fixed rates set forth herein, calculated on the basis of a 360-day year comprised of twelve thirty-day months. Interest on the Series 2015 Bonds is payable semi-annually on each May 1 and November 1, commencing _____ 1, 2015.

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

The Series 2015 Bonds are being issued to, together with other legally available moneys of the District: (i) currently refund and redeem all of the District's Outstanding Capital Improvement Revenue Bonds, Series 2001A, Capital Improvement Revenue Bonds, Series 2003A and Capital Improvement Revenue Bonds, Series 2005A (collectively, the "Refunded Bonds") currently Outstanding in the aggregate principal amount of \$6,360,000; (ii) pay certain costs associated with the issuance of the Series 2015 Bonds; and (iii) make a deposit into the Series 2015 Reserve Account for the benefit of all of the Series 2015 Bonds.

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

THE SERIES 2015 BONDS INVOLVE A DEGREE OF RISK (SEE "BONDOWNERS' RISKS" HEREIN) AND ARE NOT SUITABLE FOR ALL INVESTORS (SEE "SUITABILITY FOR INVESTMENT," AND "BONDOWNERS' RISKS" HEREIN). THE SERIES 2015 BONDS ARE NOT CREDIT ENHANCED OR RATED.

INVESTMENT IN THE SERIES 2015 BONDS POSES CERTAIN RISKS AND THE SERIES 2015 BONDS ARE NOT A SUITABLE INVESTMENT FOR ALL POTENTIAL INVESTORS. SEE "INTRODUCTION," "BONDHOLDERS RISKS" AND "SUITABILITY FOR INVESTMENT" HEREIN. THE UNDERWRITER IS LIMITING THIS OFFERING OF THE SERIES 2015 BONDS TO ACCREDITED INVESTORS WITHIN THE MEANING OF THE RULES OF THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES; THE LIMITATION OF THE INITIAL OFFERING OF SERIES 2015 BONDS TO ACCREDITED INVESTORS DOES NOT DENOTE RESTRICTIONS OF TRANSFER IN ANY SECONDARY MARKET FOR THE SERIES 2015 BONDS. NO APPLICATION HAS BEEN MADE FOR A RATING WITH RESPECT TO THE SERIES 2015 BONDS, NOR IS THERE ANY REASON TO BELIEVE THAT THE DISTRICT WOULD HAVE BEEN SUCCESSFUL IN OBTAINING EITHER CREDIT ENHANCEMENT FOR THE SERIES 2015 BONDS OR A RATING FOR THE SERIES 2015 BONDS HAD APPLICATION BEEN MADE. POTENTIAL INVESTORS ARE SOLELY RESPONSIBLE FOR EVALUATING THE MERITS AND RISKS OF AN INVESTMENT IN THE SERIES 2015 BONDS.

For the reasons more fully described herein under "BONDHOLDERS' RISKS," there is a risk that the District may be determined, either by the Internal Revenue Service (the "IRS"), judicially or otherwise, not to be a political subdivision for purposes of the Internal Revenue Code of 1986, as amended (the "Code") and, correspondingly, that the IRS will make an adverse determination with respect to the tax-exempt status of interest on the Series 2015 Bonds. See "BONDHOLDERS' RISKS" herein.

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

The Series 2015 Bonds are offered for delivery when, as and if issued by the District and accepted by MBS Capital Markets, LLC, the Underwriter, subject to prior sale, withdrawal or modification of the offer without notice and the receipt of the opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, as to the validity of the Series 2015 Bonds and the excludability of interest thereon from gross income for federal income tax purposes. Certain legal matters will be passed upon for the District by its counsel, Latham, Shuker, Eden & Beaudine, LLP, Orlando, Florida and for the Trustee by its counsel, Holland & Knight LLP, Miami, Florida. Certain legal matters will be passed upon for the Underwriter by its counsel, Akerman LLP, Orlando, Florida. It is expected that the Series 2015 Bonds will be available for delivery through the facilities of The Depository Trust Company in New York, New York on or about March ____, 2015.

MBS Capital Markets, LLC

Dated: _____, 2015

*Preliminary, Subject to Change

**MATURITIES, AMOUNTS, INTEREST RATES, YIELDS
AND INITIAL CUSIP NUMBERS¹**

\$ _____ * Serial Series 2015 Bonds

Maturity Date (May 1)	Amount	Rate	Yield	Initial CUSIP No. ¹
--------------------------	--------	------	-------	-----------------------------------

\$ _____, _____% Term Bonds Due May 1, _____, Yield _____%, CUSIP _____
\$ _____, _____% Term Bonds Due May 1, _____, Yield _____%, CUSIP _____

*Preliminary, Subject to Change

¹ The District is not responsible for the use of CUSIP numbers, nor is any representation made as to their correctness. They are included solely for the convenience of the readers of this Limited Offering Memorandum.

LAKE ASHTON COMMUNITY DEVELOPMENT DISTRICT

BOARD OF SUPERVISORS

Carol Pontious, Chair
Brenda G. Vansickle, Vice Chair
Linda L. Leone, Assistant Secretary
Borden Deane, Assistant Secretary
Robert Ference, Assistant Secretary

DISTRICT MANAGER

Governmental Management Services–Central Florida, LLC
Orlando, Florida

ASSESSMENT CONSULTANT

Governmental Management Services–South Florida, LLC
Coral Springs, Florida

DISTRICT COUNSEL

Latham, Shuker, Eden & Beaudine, LLP
Orlando, Florida

BOND COUNSEL

Nabors, Giblin & Nickerson, P.A.
Tampa, Florida

REGARDING USE OF THIS LIMITED OFFERING MEMORANDUM

No dealer, broker, salesman or other person has been authorized by the District, the State of Florida or the Underwriter 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 any of the foregoing. This Limited Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2015 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the District, the District Manager, and other sources that are believed by the Underwriter to be reliable. 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 guaranty the accuracy or completeness of such information. The District and the Assessment Consultant will, at closing, deliver certificates certifying that certain of the information each supplied does not contain any untrue statement of a material fact or omit to state a material fact required to be stated herein or necessary to make the statements herein, in light of the circumstances under which they were made, not misleading. The information and expressions of opinion herein 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 with respect to the matters described herein since the date hereof.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2015 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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

Statements contained herein that are not purely historical are forward-looking statements, including statements regarding the District's expectations, hopes, intentions or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included herein are based on information available on the date hereof, and the District assumes no obligation to update any such forward-looking statements. Such forward-looking statements are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the District. Actual results could differ materially from those discussed in such forward-looking statements, and therefore, there can be no assurance that the forward-looking statements included herein will prove to be accurate.

THIS LIMITED OFFERING MEMORANDUM IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM ("ORIGINAL BOUND FORMAT") OR IN ELECTRONIC FORMAT ON THE WEBSITE [www.MuniOS.com]. THIS LIMITED OFFERING MEMORANDUM MAY BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR IF IT IS PRINTED IN FULL DIRECTLY FROM SUCH WEBSITE.

Certain information in this Limited Offering Memorandum has been provided by The Depository Trust Company, New York, New York ("DTC"). The District has not provided information in this Limited Offering Memorandum with respect to DTC and does not certify as to the accuracy or sufficiency of the disclosure policies of or content provided by DTC and is not responsible for the information provided by DTC.

THIS LIMITED OFFERING MEMORANDUM DOES NOT CONSTITUTE A CONTRACT BETWEEN THE DISTRICT OR THE UNDERWRITER AND ANY ONE OR MORE OF THE OWNERS OF THE SERIES 2015 BONDS.

THE DISTRICT HAS DEEMED THIS PRELIMINARY LIMITED OFFERING MEMORANDUM "FINAL" AS OF ITS DATE WITHIN THE MEANING OF RULE 15(C)2-12 UNDER THE SECURITIES EXCHANGE ACT OF 1934, EXCEPT FOR PERMITTED OMISSIONS UNDER SUCH RULE.

TABLE OF CONTENTS

	Page
INTRODUCTION	1
SUITABILITY FOR INVESTMENT	2
PLAN OF REFUNDING	3
VERIFICATION	3
THE DISTRICT	3
General	3
Legal Powers and Authority	3
Board of Supervisors	4
District Manager and Other Consultants	4
DESCRIPTION OF THE SERIES 2015 BONDS	5
General Description	5
Redemption Provisions	5
Notice of Redemption	6
Effect of Notice of Redemption	7
Selection of Bonds for Redemption	7
Book-Entry Only System	7
SECURITY FOR AND SOURCE OF PAYMENT OF SERIES 2015 BONDS	9
General	9
No Additional Bonds or Parity Capital Assessments	10
Funds and Accounts	10
Reserve Account Requirement; Series 2015 Reserve Account	10
Flow of Funds	11
Investment Earnings	12
Enforcement and Collection of Series 2015 Assessments	13
Re-Assessment	13
ENFORCEMENT OF ASSESSMENT COLLECTIONS	13
Tax Collection Procedures	13
Uniform Method Tax Collection Procedure	14
Foreclosure	16
BONDOWNERS' RISKS	16
ESTIMATED SOURCES AND USES OF FUNDS	19
DEBT SERVICE REQUIREMENTS	20
THE REFUNDED PROJECT	21
THE SERIES 2015 ASSESSMENT AREA	21
General	21
Series 2015 Assessment Area Data	21
TAX MATTERS	24
Opinion of Bond Counsel	24
Internal Revenue Code of 1986	24
Collateral Tax Consequences	24

Bank Qualified Obligations.....	24
Florida Taxes	25
Other Tax Matters	25
Additional Matters Relating to Special Districts.....	25
Tax Treatment of Original Issue Discount	26
Bond Premium	26
DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS.....	26
VALIDATION	27
LITIGATION	27
CONTINUING DISCLOSURE.....	27
UNDERWRITING	27
LEGAL MATTERS	28
AGREEMENT BY THE STATE	28
FINANCIAL STATEMENTS.....	28
EXPERTS AND CONSULTANTS	28
CONTINGENT AND OTHER FEES	28
NO RATING OR CREDIT ENHANCED.....	28
MISCELLANEOUS.....	28

APPENDICES:

Appendix A	Supplemental Assessment Report
Appendix B	Forms of Master Trust Indenture and Fourth Supplemental Trust Indenture
Appendix C	Form of Opinion of Bond Counsel
Appendix D	Form of Continuing Disclosure Certificate
Appendix E	Audited Financial Statements of the District for Fiscal Year Ended September 30, 2013

LIMITED OFFERING MEMORANDUM

relating to

LAKE ASHTON COMMUNITY DEVELOPMENT DISTRICT

\$ _____ *

Capital Improvement Revenue Refunding Bonds, Series 2015

INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page and appendices hereto, is to set forth certain information concerning the Lake Ashton Community Development District (the "District") in connection with the offering and issuance by the District of its Capital Improvement Revenue Refunding Bonds, Series 2015 (the "Series 2015 Bonds"). The District was created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended, the Florida Constitution, and other applicable provisions of law (collectively, the "Act"), and Ordinance No. 2000-11 of the City of Lake Wales, Florida (the "Ordinance"). The District was established for the purposes, among other things, of financing and managing the planning, acquisition, construction, maintenance and operation of the public infrastructure necessary for community development of the District. The Series 2015 Bonds are being issued pursuant to the Act and a Master Trust Indenture, dated as of February 1, 2001 (the "Master Indenture"), between the District and U.S. Bank National Association, as successor in trust to Wachovia Bank, National Association, as trustee (the "Trustee"), as supplemented by a Fourth Supplemental Trust Indenture, dated as of March 1, 2015 (the "Supplemental Indenture" and, together with the Master Indenture, the "Indenture") and resolutions of the District authorizing the issuance of the Series 2015 Bonds. 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 copy of the Master Indenture or the form of the Supplemental Indenture, copies of both of which are provided in APPENDIX B attached hereto.

THE SERIES 2015 BONDS ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS (SEE "SUITABILITY FOR INVESTMENT," "BONDOWNERS' RISKS" AND "NO RATING OR CREDIT ENHANCEMENT" HEREIN).

THE SERIES 2015 BONDS ARE NOT CREDIT ENHANCED AND ARE NOT RATED. PROSPECTIVE INVESTORS IN THE SERIES 2015 BONDS ARE INVITED TO VISIT THE DISTRICT AND TO REQUEST FROM THE DISTRICT DOCUMENTS, INSTRUMENTS AND INFORMATION WHICH MAY NOT NECESSARILY BE REFERRED TO, SUMMARIZED OR DESCRIBED HEREIN. THEREFORE, PROSPECTIVE INVESTORS SHOULD RELY UPON THE INFORMATION APPEARING IN THIS LIMITED OFFERING MEMORANDUM WITHIN THE CONTEXT OF THE AVAILABILITY OF SUCH ADDITIONAL INFORMATION AND THE SOURCES THEREOF. PROSPECTIVE INVESTORS MAY REQUEST SUCH ADDITIONAL INFORMATION AND ARRANGE TO VISIT THE DISTRICT AS DESCRIBED HEREIN UNDER THE CAPTION "SUITABILITY FOR INVESTMENT."

The Act authorizes the District to issue bonds for the purpose, among others, of financing, refinancing, funding, planning, establishing, acquiring, constructing or reconstructing, enlarging or extending, equipping, operating and maintaining water management, water supply, sewer and wastewater management, bridges or culverts, district roads, street lights and other basic infrastructure projects within or without the boundaries of the District, as provided in the Act.

Consistent with the requirements of the Indenture and the Act the Series 2015 Bonds are being issued to, together with other legally available moneys of the District: (i) currently refund and redeem all of the District's Outstanding Capital Improvement Revenue Bonds, Series 2001A, Capital Improvement Revenue Bonds, Series

*Preliminary, Subject to Change

2003A and Capital Improvement Revenue Bonds, Series 2005A (collectively, the "Refunded Bonds") currently Outstanding in the aggregate principal amount of \$6,360,000; (ii) pay certain costs associated with the issuance of the Series 2015 Bonds; and (iii) make a deposit into the Series 2015 Reserve Account for the benefit of all of the Series 2015 Bonds. In connection with the issuance of the Series 2015 Bonds, moneys will be deposited to the 2015 Interest Account in an amount sufficient to pay interest accruing on the Series 2015 Bonds through November 1, 2015. The Refunded Bonds were issued for the principal purpose of the construction, installation and equipping of a portion of the Refunded Project (as defined herein). See "THE REFUNDED PROJECT" herein.

The Series 2015 Bonds are payable from and secured by the Series 2015 Pledged Revenues, which consist of the revenues derived by the District from the Series 2015 Assessments. The Series 2015 Assessments are non ad valorem special assessments levied against certain lands within the District that are subject to assessment as a result of the Refunded Project (hereinafter defined) or any portion thereof. The Series 2015 Bonds are also secured by the Funds and Accounts (except for the Series 2015 Rebate Account) established by the Supplemental Indenture (the "Series 2015 Pledged Funds and Accounts") which, together with the Series 2015 Pledged Revenues, comprise the Trust Estate securing the Series 2015 Bonds (the "Series 2015 Trust Estate"). See "SECURITY FOR AND SOURCE OF PAYMENT OF SERIES 2015 BONDS" and "THE SERIES 2015 ASSESSMENT AREA."

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

There follows in this Limited Offering Memorandum a brief description of the District, together with summaries of the terms of the Series 2015 Bonds, the Indenture, the Series 2015 Assessment Area, 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 all references to the Series 2015 Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture, the form of which appears as Appendix B attached hereto.

SUITABILITY FOR INVESTMENT

Investment in the Series 2015 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. Additional information will be made available to each prospective investor, including the benefit of a site visit to the District, and the opportunity to ask questions of the District, as such prospective investor deems necessary in order to make an informed decision with respect to the purchase of the Series 2015 Bonds. Prospective investors are encouraged to request such additional information, visit the District and ask such questions. Such requests should be directed to:

Brett Sealy
MBS Capital Markets, LLC
152 Lincoln Avenue
Winter Park, Florida 32789
Ph: (407) 622-0130 ext. 303 (office)

PLAN OF REFUNDING

Concurrently with the delivery of the Series 2015 Bonds, a portion of the proceeds of the Series 2015 Bonds and other available District moneys, will be applied to the refunding of the Refunded Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS" herein.

To effect the refunding of the Refunded Bonds, the District will enter into an escrow deposit agreement (the "Escrow Agreement") with U.S. Bank National Association, as escrow agent (the "Escrow Agent"). Pursuant to the terms of the Escrow Agreement, the District will deposit with the Escrow Agent a portion of the proceeds of the Series 2015 Bonds and other available District moneys to refund the Refunded Bonds. Such proceeds and other available moneys will be held uninvested by the Escrow Agent until applied to redeem the Refunded Bonds on _____, 2015 (the "Redemption Date"). Upon execution and delivery of the Escrow Agreement and the deposit of such proceeds and other available moneys into the Escrow Deposit Trust Fund, all as provided in the Escrow Agreement, in the opinion of Bond Counsel, rendered in reliance on the report of _____ (see "VERIFICATION" herein), the Refunded Bonds will no longer be deemed Outstanding pursuant to the Master Indenture and applicable supplemental indenture.

The moneys and securities, if any, held pursuant to the Escrow Agreement will not be available to pay debt service on the Series 2015 Bonds.

VERIFICATION

As of the delivery date of the Series 2015 Bonds, _____, certified public accountants, (the "Verification Agent") will verify the mathematical accuracy of the computations contained in schedules provided by MBS Capital Markets, LLC, to determine that the cash deposit to be held in the Escrow Fund will be sufficient to pay, on _____, 2015, the principal of and interest on the Refunded Bonds.

THE DISTRICT

General

The District is a local unit of special purpose government, which was established August 15, 2000 by the Ordinance. The District encompasses approximately 772 acres and is located in the city limits of the City. The City is situated in central Polk County in the Lakeland-Winter Haven area, approximately 45 miles from Orlando.

Legal Powers and Authority

The District is an independent unit of local government created by and established in accordance with the Act. The Act was enacted in 1980 to provide a uniform method for the establishment of community development districts to manage and finance basic community development services, including capital infrastructure required for community developments throughout the State. The Act provides legal authority for community development districts (such as the District) to finance the acquisition, construction, operations 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: (i) water management and control for lands within the District and to connect any of such facilities with roads and bridges and (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; (b) borrow money and issue bonds of the District; (c) impose and enforce 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 such bonds, including the Series 2015 Bonds.

Board of Supervisors

Pursuant to the Act the governing body of the District is its Board of Supervisors (the "Board"), which is composed of five Supervisors (the "Supervisors"). Ownership of the land within the District initially entitled the owner to elect Supervisors to the Board based on a one vote per acre basis (with fractions thereof rounded upward to the nearest whole number). 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, or such earlier time as the Board may decide to exercise its ad valorem taxing power, the Supervisors are elected (as their terms expire) by vote of the qualified electors of the District. A qualified elector is a registered voter, a resident of the District and the State and a citizen of the United States. When the Refunded Bonds were approved, the majority of the Supervisors on the Board of the District were elected by the landowners. Currently, all of the Supervisors are qualified electors elected by qualified electors. If there is a vacancy on the Board, the remaining Board members are to fill such vacancy by appointment for the unexpired term.

The Act provides that it shall not be a conflict of interest under Chapter 112, Florida Statutes, for a Supervisor to be a stockholder, officer or employee of a landowner. The current members of the Board and their respective term commencement and expiration dates are set forth below.

Name	Title	Term Expires November
Carol Pontious	Chair	November 2018
Brenda G. Vansickle	Vice Chair	November 2018
Linda Leone	Assistant Secretary	November 2018
Borden Deane	Assistant Secretary	November 2016
Robert Ference	Assistant Secretary	November 2016

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

The Act empowers the Board of Supervisors to adopt administrative rules and regulations with respect to any projects of the District, and to enforce penalties for the violation of such rules and regulations. The Act permits the Board of Supervisors to levy taxes under certain conditions, and to levy special assessments, and to charge, collect and enforce fees and user charges for use of District facilities.

District Manager and Other Consultants

The Act authorizes the Board to hire a District Manager as the chief administrative official of the District. The Act provides that the District Manager shall have charge and supervision of the works of the District and shall be responsible for (i) preserving and maintaining any improvement or facility constructed or erected pursuant to the provisions of the Act, (ii) maintaining and operating the equipment owned by the District, and (iii) performing such other duties as may be prescribed by the Board.

The District has retained Governmental Management Services–Central Florida, LLC (the "District Manager") to serve as the District Manager. The District Manager's office is located at 135 W. Central Blvd., Suite 320, Orlando, Florida 32801 and its telephone number is (407) _____.

The District Manager's typical responsibilities can briefly be summarized as overseeing directly and coordinating the planning, financing, purchasing, staffing, reporting and governmental liaison for the District. The District Manager's responsibilities include the accounting and reporting that is required by the Indenture to be performed by the District Manager.

The Act further authorizes the Board to hire such employees and agents as it deems necessary. Thus, the District has employed the services of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, as Bond Counsel; Latham, Shuker, Eden & Beaudine, LLP, Orlando, Florida, as District Counsel; and Governmental Management Services–South Florida, Coral Springs, Florida, as Assessment Consultant.

DESCRIPTION OF THE SERIES 2015 BONDS

General Description

The Series 2015 Bonds are issuable as fully registered bonds, without coupons, in denominations of \$5,000 or any multiple thereof.

The Series 2015 Bonds will be dated their date of issuance and delivery to the initial purchasers thereof and will bear interest payable on each May 1 and November 1, commencing _____ 1, 2015 (each, an "Interest Payment Date") and shall be computed on the basis of a 360-day year of twelve 30-day months. The Series 2015 Bonds will mature on May 1 of such years, in such amounts and at such rates as set forth on the inside cover page of this Limited Offering Memorandum.

Each Series 2015 Bond shall bear interest from the Interest Payment Date to which interest has been paid next preceding the date of its authentication, unless the date of its authentication: (i) is an Interest Payment Date to which interest on such Series 2015 Bond has been paid, in which event such Series 2015 Bond shall bear interest from its date of authentication; (ii) is prior to the first Interest Payment Date for the Series 2015 Bonds, in which event, such Series 2015 Bond shall bear interest from its date; or (iii) is between a Record Date and the next succeeding Interest Payment Date, in which event, such Series 2015 Bond shall bear interest from such Interest Payment Date.

The Series 2015 Bonds will initially be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), which will act initially as securities depository for the Series 2015 Bonds and, so long as the Series 2015 Bonds are held in book-entry-only form, Cede & Co., will be considered the registered owner for all purposes hereof. See "DESCRIPTION OF THE SERIES 2015 BONDS – Book-Entry Only System" below for more information about DTC and its book-entry only system.

Redemption Provisions

Optional Redemption

The Series 2015 Bonds are subject to redemption prior to maturity at the option of the District in whole or in part on any date on or after May 1, _____ (less than all Series 2015 Bonds to be selected by lot) at the Redemption Prices of the principal amount being redeemed, together with accrued interest to the date of redemption.

Mandatory Redemption

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

May 1 of the Year	Principal
-------------------------	-----------

\$

*

*Maturity

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

May 1 of the Year	Principal
-------------------------	-----------

\$

*

*Maturity

As more particularly set forth in the Indenture, any Series 2015 Term Bonds that are purchased by the District with amounts held to pay an Amortization Installment will be cancelled and the principal amount so purchased will be applied as a credit against the applicable Amortization Installment of Series 2015 Term Bonds. Amortization Installments are also subject to recalculation, as provided in the Supplemental Indenture, as the result of the redemption of Series 2015 Term Bonds other than from scheduled Amortization Installments so as to reamortize the remaining Outstanding principal balance of the Series 2015 Term Bonds and Series 2015 Serial Bonds in substantial equal annual installments of principal and interest over the remaining term thereof (subject to rounding for Authorized Denominations) as set forth in the Supplemental Indenture.

Extraordinary Mandatory Redemption in Whole or in Part. The Series 2015 Bonds are subject to extraordinary mandatory redemption prior to maturity, in whole on any date or in part on any Interest Payment Date, in the manner determined by the Bond Registrar at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption from amounts transferred to the Series 2015 Prepayment Subaccount of the Series 2015 Redemption Account in accordance with the terms of the Indenture, and, on the date on which the amount on deposit in the Series 2015 Reserve Account, together with other moneys available therefor, are sufficient to pay and redeem all of the Series 2015 Bonds then Outstanding, including accrued interest thereon.

Notice of Redemption

Notice of each redemption of Series 2015 Bonds is required to be mailed by the Bond Registrar, postage prepaid, not less than thirty (30) nor more than forty-five (45) days prior to the redemption date to each registered Owner of Series 2015 Bonds to be redeemed at the address of such registered Owner recorded on the bond register maintained by the Bond Registrar.

Effect of Notice of Redemption

On the date designated for redemption, notice having been given and money for the payment of the Redemption Price being held by the Paying Agent, all as provided in the Indenture, the Series 2015 Bonds or such portions thereof so called for redemption shall become and be due and payable at the Redemption Price provided for the redemption of such Series 2015 Bonds or such portions thereof on such date, interest on such Series 2015 Bonds or such portions thereof so called for redemption shall cease to accrue, such Series 2015 Bonds or such portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Indenture and the Owners thereof shall have no rights in respect of such Series 2015 Bonds or such portions thereof so called for redemption except to receive payments of the Redemption Price thereof so held by the Paying Agent.

Selection of Bonds for Redemption

If less than all of the Series 2015 Bonds shall be called for redemption, the particular Series 2015 Bonds or portions of Series 2015 Bonds to be redeemed shall generally be selected by lot by the Registrar as provided in the Indenture. [However, Series 2015 Serial Bonds shall be selected for redemption from Series 2015 Prepayments in such a manner that after such redemption, the then Outstanding principal amount of Series 2015 Serial Bonds and Series 2015 Term Bonds, after taking into account the provisions of the immediately following paragraph, shall be payable in substantially equal annual installments of principal and interest (subject to rounding for Authorized Denominations) over the remaining term of such Outstanding Series 2015 Bonds.]

Upon any redemption of Series 2015 Term Bonds (other than Series 2015 Term Bonds redeemed in accordance with scheduled Amortization Installments and other than Series 2015 Term Bonds redeemed at the direction of the District accompanied by a cash flow certificate as required by the Master Indenture), the District shall cause to be recalculated and delivered to the Trustee revised Amortization Installments recalculated so as to amortize the Outstanding principal amount of the Series 2015 Term Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Series 2015 Term Bonds, taking into account the Outstanding Series 2015 Serial Bonds redeemed as provided above.

Book-Entry Only System

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

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

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

U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Direct Participants and the Indirect Participants are collectively referred to herein as the "DTC Participants". DTC has a Standard & Poor's rating of AA+. The DTC rules applicable to its DTC Participants are on file with the Securities and Exchange Commission (the "SEC"). More information about DTC can be found at www.dtcc.com.

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

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

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

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

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

Principal and interest payments on the Series 2015 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent on a payment date in accordance with their respective holdings shown on DTC's records. Payments by DTC 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 DTC Participant and not of DTC nor its nominee, the Trustee, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest on the Series 2015 Bonds, as applicable, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District and/or the Paying Agent, disbursement of such payments

to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

The District may decide to discontinue use of the system of book-entry transfers through DTC upon compliance with any applicable DTC rules and procedures. In that event, 2015 Bond certificates will be printed and delivered at the expense of the District.

So long as Cede & Co. is the registered owner of the Series 2015 Bonds, as nominee of DTC, reference herein to the Bondholders or Registered Owners of the Series 2015 Bonds will mean Cede & Co., as aforesaid, and will not mean the Beneficial Owners of the Series 2015 Bonds.

NEITHER THE DISTRICT NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEE WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE SERIES 2015 BONDS. THE DISTRICT CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, THE DTC PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE SERIES 2015 BONDS PAID TO DTC OR ITS NOMINEE, AS THE REGISTERED OWNER, OR PROVIDE ANY NOTICES TO THE BENEFICIAL OWNERS OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL ACT IN THE MANNER DESCRIBED IN THIS LIMITED OFFERING MEMORANDUM.

SECURITY FOR AND SOURCE OF PAYMENT OF SERIES 2015 BONDS

General

The Series 2015 Bonds are payable from and secured by lien upon and pledge of the Series 2015 Trust Estate. The Series 2015 Trust Estate consists of the Series 2015 Pledged Revenues and the Series 2015 Pledged Funds and Accounts.

The Series 2015 Assessments represent an allocation of the costs of the Refunded Project, including bond financing costs, to the lands within the District benefiting from the Refunded Project in accordance with the special assessment methodology applicable to the Series 2015 Assessments (collectively, the "Methodology Report") which Methodology Report has been adopted by the District.

THE SERIES 2015 BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY OUT OF THE SERIES 2015 PLEDGED REVENUES AND SERIES 2015 PLEDGED FUNDS AND ACCOUNTS 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, NOR ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE SERIES 2015 BONDS, EXCEPT THAT THE DISTRICT IS OBLIGATED UNDER THE INDENTURE TO LEVY AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, THE SERIES 2015 ASSESSMENTS (AS DEFINED HEREIN) TO SECURE AND PAY THE SERIES 2015 BONDS. THE SERIES 2015 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT, THE COUNTY, THE STATE, OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION.

The Series 2015 Pledged Revenues are the revenues derived by the District from the Series 2015 Assessments and the Series 2015 Pledged Funds and Accounts include all of the Funds and Accounts (except for the Series 2015 Rebate Account) established pursuant to the Supplemental Indenture.

The Indenture provides that the pledge of the Series 2015 Trust Estate shall immediately be subject to the lien and pledge of the Indenture without any physical delivery thereof or further act.

No Additional Bonds or Parity Capital Assessments

Pursuant to the Supplemental Indenture, the District covenants and agrees that so long as there are any Series 2015 Bonds Outstanding, it shall not cause or permit to be caused any lien, charge or claim against the Series 2015 Trust Estate; provided, however, that the District may issue Bonds under the Master Indenture or under another indenture for purposes permitted by the Act which are secured by Assessments levied on the same tax parcels subject to the Series 2015 Assessments. The District imposes "Maintenance Assessments" on the properties subject to the Series 2015 Assessments. However, the Supplemental Indenture provides that the District may impose Assessments on lands subject to the Series 2015 Assessments for capital repairs or improvements necessary for the health, safety or welfare of the residents of the District.

WHILE NO FUTURE ADDITIONAL BONDS WILL BE PAYABLE FROM OR SECURED BY THE SERIES 2015 ASSESSMENTS PLEDGED AS SECURITY FOR THE SERIES 2015 BONDS, THE CITY, THE COUNTY, THE SCHOOL BOARD OF POLK COUNTY, FLORIDA, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF MAY IN THE FUTURE IMPOSE, LEVY AND COLLECT ASSESSMENTS AND TAXES THE LIENS OF WHICH WILL BE CO-EQUAL WITH THE LIEN OF THE SERIES 2015 ASSESSMENTS SECURING THE SERIES 2015 BONDS. See "SECURITY FOR AND SOURCE OF PAYMENT OF SERIES 2015 BONDS - Enforcement and Collection of Series 2015 Assessments" herein.

In addition, and not in limitation of, the covenants contained elsewhere in the Supplemental Indenture, the District in the Supplemental Indenture covenants to comply with the terms of the proceedings heretofore adopted with respect to the Series 2015 Assessments and to levy the Series 2015 Assessments and required true up payments in such manner as will generate funds sufficient to pay the principal of and interest on the Series 2015 Bonds when due.

The District further covenants and agrees that it will not reduce the Series 2015 Assessment on any tax parcel (other than as the result of the prepayment of all or a portion of the Series 2015 Assessment on that tax parcel) on account of any reduction in Debt Service on the Series 2015 Bonds resulting from a redemption of Series 2015 Bonds from amounts deposited into the Series 2015 Prepayment Subaccount in the Series 2015 Redemption Account in the Debt Service Fund.

Funds and Accounts

The Indenture requires that the Trustee establish the following funds and accounts: within the Acquisition and Construction Fund, a "Series 2015 Costs of Issuance Account;" within the Revenue Fund, a "Series 2015 Revenue Account;" within the Debt Service Fund a "Series 2015 Debt Service Account," "Series 2015 Principal Account," a "Series 2015 Interest Account," and a "Series 2015 Sinking Fund Account;" within the Reserve Fund a "Series 2015 Reserve Account;" and within the Redemption Fund a "Series 2015 Redemption Account," and therein a "Series 2015 Prepayment Subaccount," and a "Series 2015 Optional Redemption Subaccount."

Reserve Account Requirement; Series 2015 Reserve Account

The Supplemental Indenture creates a Series 2015 Reserve Account. The amount required to be on deposit in the Series 2015 Reserve Account is the "Series 2015 Reserve Requirement" is an amount equal to fifty percent 50% of the Maximum Annual Debt Service Requirement for all Outstanding Series 2015 Bonds, as determined from time to time. The Series 2015 Reserve Account will, at the time of delivery of the Series 2015 Bonds, be funded from the proceeds of the Series 2015 Bonds in amount equal to the Series 2015 Reserve Account Requirement, which is initially equal to \$_____.

Amounts on deposit in the Series 2015 Reserve Account shall be used only for the purpose of making payments into the Series 2015 Interest Account, [the Series 2015 Principal Account] and the Series 2015 Sinking Fund Account to pay Debt Service on the Series 2015 Bonds, when due, without distinction as to Series 2015 Bonds and without privilege or priority of one Series 2015 Bond over another, to the extent the moneys on deposit in such Accounts therein and available therefor are insufficient and for no other purpose, except as provided below. Such Account shall consist only of cash and Series 2015 Investment Obligations.

On the forty-fifth (45th) day preceding each Redemption Date (or, if such forty-fifth (45th) day is not a Business Day, on the first Business day preceding such forty-fifth (45th) day), the Trustee is to recalculate the Series 2015 Reserve Account Requirement, taking into account any redemptions to be made on the next succeeding Redemption Date, and to transfer any excess on deposit in the Series 2015 Reserve Account, into the Series 2015 Prepayment Subaccount of the Series 2015 Redemption Account and applied to the extraordinary mandatory redemption of the Series 2015 Bonds.

On the earliest date on which there is on deposit in the Series 2015 Reserve Account, sufficient monies, after taking into account other monies available therefor, to pay and redeem all of the Outstanding Series 2015 Bonds, together with accrued interest and redemption premium, if any, on such Series 2015 Bonds to the earliest date of redemption permitted therein and herein, then the Trustee shall transfer the amount on deposit in the Series 2015 Reserve Account into the Series 2015 Prepayment Subaccount in the Series 2015 Redemption Account to pay and redeem all of the Outstanding Series 2015 Bonds on the earliest date permitted for redemption.

Flow of Funds

Pursuant to the Indenture the District covenants to deposit Series 2015 Assessment Revenues with the Trustee immediately upon receipt together with a written accounting setting forth the amounts of such Series 2015 Assessment Revenues in the following categories which shall be deposited by the Trustee into the Funds and Accounts as follows:

(i) Series 2015 Assessment Principal, which shall be deposited into the Series 2015 Principal Account to pay the Series 2015 Serial Bonds or the Series 2015 Sinking Fund Account to pay the Series 2015 Term Bonds, as applicable;

(ii) Series 2015 Prepayment Principal which shall be deposited into the Series 2015 Prepayment Subaccount in the Series 2015 Redemption Account;

(iii) Series 2015 Delinquent Assessment Principal, which shall first be applied to restore the amount of any withdrawal from the Series 2015 Reserve Account to pay the principal of Series 2015 Bonds, and, the balance, if any, shall be deposited into the Series 2015 Principal Account or the Series 2015 Sinking Fund Account, as applicable;

(iv) Series 2015 Delinquent Assessment Interest, which shall first be applied to restore the amount of any withdrawal from the Series 2015 Reserve Account to pay the interest on Series 2015 Bonds, and, the balance, if any, deposited into the Series 2015 Revenue Account; and

(v) all other Series 2015 Assessment Revenues, which shall be deposited into the Series 2015 Revenue Account.

On the forty-fifth (45th) day preceding each Redemption Date (or if such forty-fifth (45th) day is not a Business Day, on the Business Day next preceding such forty-fifth (45th) day), the Trustee shall determine the amount on deposit in the Series 2015 Prepayment Subaccount, and, if the balance therein is greater than zero, shall transfer from the Series 2015 Revenue Account for deposit into the Series 2015 Prepayment Subaccount, an amount sufficient to increase the amount on deposit therein to an integral multiple of \$5,000, and, shall thereupon give notice and cause the extraordinary mandatory redemption of the Series 2015 Bonds on the next succeeding Redemption Date in the maximum aggregate principal amount for which moneys are then on deposit in the Series 2015 Prepayment Subaccount in accordance with the provisions for extraordinary redemption of the Series 2015 Bonds.

On May 1 and November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such May 1 or November 1), the Trustee shall transfer amounts on deposit in the Series 2015 Revenue Account to the Funds and Accounts designated below in the following amounts and in the following order of priority:

FIRST, from the Series 2015 Revenue Account to the Series 2015 Interest Account of the Debt Service Fund, an amount equal to the amount of interest payable on all Series 2015 Bonds then Outstanding on such May 1

or November 1 next succeeding such September 15 less any other amount already on deposit in the Series 2015 Interest Account not previously credited;

SECOND, to the Series 2015 Sinking Fund Account, the amount, if any, equal to the difference between the Amortization Installments of all Series 2015 Term Bonds subject to mandatory sinking fund redemption on such May 1, and the amount already on deposit in the Series 2015 Sinking Fund Account not previously credited, and to the Series 2015 Principal Account, the amount, if any, equal to the difference between the principal of all Series 2015 Serial Bonds maturing on such May 1, and the amount already on deposit in the Series 2015 Principal Account not previously credited;

THIRD, to the Series 2015 Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2015 Reserve Account Requirement with respect to the Series 2015 Bonds; and

FOURTH, the balance shall be retained in the Series 2015 Revenue Account.

It shall not, a fortiori, constitute an Event of Default if the full amount of the foregoing deposits are not made due to an insufficiency of funds therefor.

On any date required by the Tax Regulatory Covenants, the District shall give the Trustee written direction, and the Trustee shall, transfer from the Series 2015 Revenue Account to the Series 2015 Rebate Account established for the Series 2015 Bonds in the Rebate Fund in accordance with the Master Indenture, the amount due and owing to the United States, which amount shall be paid, to the United States, when due, in accordance with such Tax Regulatory Covenants.

On or after each November 2, the balance on deposit in the Series 2015 Revenue Account on such November 2 shall be deposited into the Series 2015 Prepayment Subaccount and applied on the next succeeding Redemption Date to the extraordinary redemption of Series 2015 Bonds; provided however, that on the date of such proposed transfer the amount on deposit in the Series 2015 Reserve Account shall be equal to the Series 2015 Reserve Account Requirement, and, provided further, that the Trustee shall not have actual knowledge of an Event of Default under the Indenture relating to any of the Series 2015 Bonds, including the payment of Trustee's fees and expenses then due.

Investment Earnings

Earnings on investments in all of the Funds and Accounts held as security for the Series 2015 Bonds shall be invested only in Series 2015 Investment Obligations. Earnings on investments in the Series 2015 Debt Service Accounts and the Subaccounts therein and the Series 2015 Redemption Account and the Subaccounts therein shall be deposited, as realized, to the credit of the Series 2015 Revenue Account and used for the purpose of such Account.

Earnings on investments in the Series 2015 Reserve Account shall be disposed of as follows:

(i) if there was no deficiency in the Series 2015 Reserve Account as of the most recent date on which amounts on deposit in the Series 2015 Reserve Account were valued by the Trustee, and if no withdrawals have been made from the Series 2015 Reserve Account since such date which have created a deficiency, then earnings on the Series 2015 Reserve Account shall be deposited into Series 2015 Revenue Account and applied as provided for moneys on deposit therein; and

(ii) if as of the last date on which amounts on deposit in the Series 2015 Reserve Account were valued by the Trustee there was a deficiency, or if after such date withdrawals have been made from the Series 2015 Reserve Account and have created such a deficiency, then earnings on investments in the Series 2015 Reserve Account shall be deposited into the Series 2015 Reserve Account until the amount on deposit therein is equal to the Series 2015 Reserve Account Requirement, and then earnings on the Series 2015 Reserve Account shall be deposited into the Series 2015 Revenue Account and applied as provided for moneys on deposit therein.

Enforcement and Collection of Series 2015 Assessments

The primary sources of payment for the Series 2015 Bonds are the revenues derived by the District from the Series 2015 Assessments imposed on each landowner within the District whose property is specially benefited by the Refunded Project and which have not fully paid the special assessment levied against such parcel in connection with the issuance of any of the Refunded Bonds. To the extent that landowners fail to pay such Series 2015 Assessments, delay payments, or are unable to pay Series 2015 Assessments, the successful pursuit of collection procedures available to the District is essential to continued payment of principal of and interest on the Series 2015 Bonds. The Act provides for various methods of collection of delinquent taxes and assessments by reference to other provisions of the Florida Statutes. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" herein for a summary of Series 2015 Assessment payment and collection procedures appearing in the Florida Statutes.

The District has covenanted in the Indenture to comply with the terms of the proceedings it has adopted with respect to the Series 2015 Assessments, and to levy the Series 2015 Assessments and any required true up payments, in such manner as will generate funds sufficient to pay the principal of and interest on the Series 2015 Bonds, when due. The District expects the Series 2015 Assessments will be collected pursuant to the uniform method for the collection of special assessments as provided for in Section 197.3632, Florida Statutes (the "Uniform Method").

Re-Assessment

Pursuant to the Indenture, if any Series 2015 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 2015 Assessment is so irregular or defective that the same cannot be enforced or collected, or if the District shall have omitted to make such Series 2015 Assessment when it might have done so, the District shall either (i) take all necessary steps to cause a new Series 2015 Assessment to be made for the whole or any part of said improvement or against any property benefitted by said improvement, or (ii) in its sole discretion, make up the amount of such Series 2015 Assessment from legally available moneys, which moneys shall be deposited into the applicable Revenue Account. In case such second Series 2015 Assessment shall be annulled, the District shall obtain and make other Series 2015 Assessments until a valid Series 2015 Assessment shall be made.

ENFORCEMENT OF ASSESSMENT COLLECTIONS

Tax Collection Procedures

The primary sources of payment for the Series 2015 Bonds are the Series 2015 Pledged Revenues derived by the District from the Series 2015 Assessments imposed on parcels within the boundaries of the District. The determination, order, levy, and collection of Series 2015 Assessments must be done in compliance with procedural requirements and guidelines provided by State law. Failure by the District to comply with such requirements could result in delay in the collection of, or the complete inability to collect Series 2015 Assessments, during any year. Such delays in the collection of Series 2015 Assessments, or complete inability to collect Series 2015 Assessments, would have a material adverse effect on the ability of the District to make full or punctual payment of debt service requirements on the Series 2015 Bonds. To the extent that landowners fail to pay the Series 2015 Assessments, delay payments, or are unable to pay the same, the successful pursuance of collection procedures available to the District is essential to continued payment of principal of and interest on the Series 2015 Bonds. The Act provides for various methods of collection of delinquent Series 2015 Assessments by reference to other provisions of the Florida Statutes. The information later herein under "Uniform Method Tax Collection Procedure" and "Foreclosure" sets forth 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. Pursuant to the Indenture, Series 2015 Assessments become delinquent if deposited with the Trustee on or after May 1 in year in which such Series 2015 Assessment has or would have become delinquent under State law applicable thereto.

Enforcement of the obligation to pay Series 2015 Assessments and the ability to foreclose the lien created by the failure to pay Series 2015 Assessments, or the ability of the Tax Collector to sell tax certificates and

ultimately tax deeds, 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.

Uniform Method Tax Collection Procedure

The Florida Statutes provide that, subject to certain conditions, special assessments may be collected by using the Uniform Method provided for in Sections 197.3631, 197.3632, 197.3635, Florida Statutes. The Uniform Method of collection is available only in the event the District enters into a Property Appraiser and Tax Collection Agreement with the Tax Collector and Property Appraiser providing for the Series 2015 Assessments to be collected in this manner. Under the Uniform Method for collecting non-ad valorem assessments, the Tax Collector will list on the assessment roll for each of the relevant tax years any Series 2015 Assessments, will include in the notice of proposed property taxes the dollar amount of such Series 2015 Assessments, and will include on the tax notice issued pursuant to Section 197.322, Florida Statutes, the dollar amount of such Series 2015 Assessments. Under the Uniform Method, the Series 2015 Assessments will be collected together with County and other taxes. The Series 2015 Assessments will appear on a single tax bill issued to each landowner subject to such. The statutes relating to enforcement of County taxes provide that County taxes become due and payable on November 1 of the year when assessed or as soon thereafter as the certified tax roll is received by the Tax Collector and constitute a lien upon the land from January 1 of such year until paid or barred by operation of law. Such taxes (together with any assessments, including the Series 2015 Assessments, being collected by the Uniform Method) are to be billed, and landowners in the District are required, subject to the next succeeding paragraph, to pay all such taxes and assessments, without preference in payment of any particular increment of the tax bill, such as the increment owing for the Series 2015 Assessments. Upon any receipt of moneys by the Tax Collector from the Series 2015 Assessments, such moneys will be delivered to the District, which will remit such Series 2015 Assessments to the Trustee for deposit as provided in the Supplemental Indenture.

All city, county, school and special district ad valorem taxes, non-ad valorem special assessments and voter-approved ad valorem taxes levied to pay principal of and interest on bonds, including the Series 2015 Assessments, that are collected by the Uniform Method are payable at one time. 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 and such partial payment is not to be accepted and is to be returned to the taxpayer, provided, however that a taxpayer may contest a tax assessment under Section 194, Part II, Florida Statutes and other applicable law. Section 194.171(3), Florida Statutes provides that before an action contesting a tax assessment may be brought, a taxpayer must pay to the Tax Collector the amount of the tax the taxpayer admits in good faith to be owing. Such payment by the taxpayer and the taxpayer's timely filing of an action contesting the tax suspends all proceedings for the collection of such contested tax prior to the final disposition of the action. Accordingly, a landowner that contests the levy or the amount of a particular tax assessment, which may possibly include non-ad valorem special assessments such as the Series 2015 Assessments collected by the Uniform Method, under the aforescribed circumstances may be permitted to pay only that amount that the landowner, in good faith, admits to be owing. In addition, Section 197.374, Florida Statutes provides that taxpayers appealing the assessed value or assigned classification of their property may make a partial payment of taxes before the delinquency date (typically April 1).

Under the Uniform Method, if the Series 2015 Assessments are paid during November when due or at any time within thirty (30) days after the mailing of the original tax notice 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. March payments are without discount. Pursuant to Section 197.222, Florida Statutes, taxpayers may elect to pay estimated taxes, which may include non-ad valorem special assessments such as the Series 2015 Assessments in quarterly installments with a variable discount equal to 6% on June 30 decreasing to 3% on December 31, with no discount on March 31. All unpaid taxes and assessments become delinquent on April 1 of the year following assessment, and the Tax Collector is required to collect taxes prior to April 1 and after that date to institute statutory procedures upon delinquency to collect assessed taxes. Delay in the mailing of tax notices to taxpayers may result in a delay throughout this process.

Certain taxpayers that are entitled to claim homestead tax exemption under Section 196.031(1), Florida Statutes may defer payment of a portion of the taxes and non-ad valorem assessments and interest accumulated on a tax certificate, which may include non-ad valorem special assessments such as the Series 2015 Assessments. Deferred taxes and assessments bear interest at a variable rate not to exceed 7%. The amount that may be deferred

varies based on whether the applicant is younger than age 65 or is 65 years old or older; provided that applicants with a household income for the previous calendar year of less than \$10,000 or applicants with less than the designated amount for the additional homestead exemption under Section 196.075, Florida Statutes that are 65 years old or older may defer taxes and assessments in their entirety.

Collection of Delinquent Series 2015 Assessments under the Uniform Method is, in essence, based upon the sale by the Tax Collector of "tax certificates" and remittance of the proceeds of such sale to the District for payment of the Series 2015 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 delinquent taxes and assessments plus an interest charge of 18% per annum on the amount of delinquent taxes. 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 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%). Generally, tax certificates are sold by public bid. If there are no bidders, the tax certificate is issued to the County (being the county in which the assessed lands are located). During the pendency of any litigation arising from the contest of a landowner's tax assessment collected through the Uniform Method, which may possibly include non-ad valorem special assessments such as the Series 2015 Assessments, it is possible that the tax collector will not sell tax certificates with respect to such property. 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 issued to the County. The County may sell such certificates to the public at any time at the principal amount thereof plus interest at the rate of not more than 18% per annum and a fee. Proceeds from the sale of tax certificates are required to be used to pay taxes and assessments (including the Series 2015 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 subject to the Series 2015 Assessments may affect the demand for certificates and the successful collection of the Series 2015 Assessments, which are the primary source of payment of the Series 2015 Bonds.

Any tax certificate in the hands of a person other than the County may be redeemed and canceled, in whole or in part, by the person owning or claiming an interest in the underlying land, or a creditor thereof, 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. 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, 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, 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 lienholder 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. Taxes 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 offering for public sale, unsold lands escheat to the county in which they are located and all tax certificates and liens against the property are canceled and a deed is executed vesting title in the County commission.

Foreclosure

If for any reason the District is unable, or elects not, to use the Uniform Method of collecting the Series 2015 Assessments, the District will, itself, directly collect the Series 2015 Assessments. 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 or the interest thereon, when due, the governing body of the District is authorized to commence legal proceedings for the enforcement of the payment thereof, including commencement of an action in chancery, commencement of a foreclosure proceeding in the same manner as the foreclosure of a real estate mortgage, or commencement of an action under Chapter 173, Florida Statutes, relating to foreclosure of municipal tax and special assessment liens. Any foreclosure proceedings to enforce payment of the 2015 Assessments may proceed under the provisions of Chapter 173, Florida Statutes, which provides that after the expiration of one year from the date any special assessment or installment thereof becomes due, the District may commence a foreclosure proceeding against the lands upon which the assessments are liens. Such a proceeding is in rem, meaning that it is brought against the land and not against the owner. Under certain circumstances, with respect to 2015 Assessments which the District has been collecting through the Uniform Method, the District may opt out of using the Uniform Method and utilize the foreclosure procedures described in this paragraph.

In general, after the District commences the suit, there is a period of notice to, and an opportunity for response by, affected persons. Ultimately a hearing will be held and, if the court decides in favor of the District, a judgment will be rendered in the amount of the Delinquent Assessments and costs of the proceeding. The judgment would also direct sale of the land subject to the Delinquent Assessments by public bid to the highest bidder, with proceeds of the sale being applied to payment of the Delinquent Assessments. If no bidder bids at least the amount of the Delinquent Assessments and applicable costs, the District may obtain title to the land.

BONDOWNERS' RISKS

There are certain risks inherent in an investment in bonds secured by special assessments issued by a public authority or governmental body in the State. Certain of these risks are described in the section above entitled "ENFORCEMENT OF ASSESSMENT COLLECTIONS"; however, certain additional risks are associated with the Series 2015 Bonds offered hereby. This section does not purport to summarize all risks that may be associated with purchasing or owning the Series 2015 Bonds and prospective purchasers are advised to read this Limited Offering Memorandum including all appendices hereto in its entirety to identify investment considerations relating to the Series 2015 Bonds.

1. In the event of the institution of bankruptcy or similar proceedings with respect to an owner of property subject to the Series 2015 Assessments, delays and impairment could occur in the payment of debt service on the Series 2015 Bonds as such bankruptcy could negatively impact the ability of: (i) the land owner being able to pay the Series 2015 Assessments; (ii) the County to sell tax certificates in relation to such property; and (iii) the District's ability to enforce collection. In addition, the remedies available to the Owners of the Series 2015 Bonds, the Trustee and the District 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, the remedies specified by federal, state and local law and in the Indenture and the Series 2015 Bonds, including, without limitation, enforcement of the obligation to pay Series 2015 Assessments and the ability of the District to foreclose the lien of the Series 2015 Assessments, may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2015 Bonds (including Bond Counsel's approving opinion) will be qualified as to the enforceability of the various legal instruments by limitation 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 respecting the Series 2015 Bonds could have a material adverse impact on the interest of the Owners hereof. Beyond legal delays that could result from bankruptcy, the ability of the County to sell tax certificates will be dependent upon various factors, including the interest rate which can be earned by ownership of such certificates and the value of the land which is the subject of such certificates and which may be subject to sale at the demand of the certificate holder after two years.

2. The principal security for the payment of the principal and interest on the Series 2015 Bonds is the timely collection of the Series 2015 Assessments. Series 2015 Assessments do not constitute a personal indebtedness of the owners of the land subject thereto, but are secured by a lien on the land encumbered thereby. There is no assurance that the owners will be able to pay the Series 2015 Assessments or that they will pay such Series 2015 Assessments even though financially able to do so. The assessment of the benefits to be received by the land within the District as a result of implementation of the Refunded Project is not indicative of the realizable or market value of the land, which value may actually be higher or lower than the assessment of benefits. To the extent that the realizable or market value of the land benefited by the Refunded Project is lower than the assessment of benefits, the ability of the District to realize sufficient value from a foreclosure action to pay debt service on the Series 2015 Bonds may be adversely affected. Such adverse effect could render the District unable to collect Delinquent Assessments, if any, and provided such delinquencies are significant, could negatively impact the ability of the District to make the full or punctual payment of debt service on the Series 2015 Bonds.

3. The District has not granted, and may not grant under Florida law, a mortgage or security interest in any portion of the Refunded Project. Furthermore, the District has not pledged the revenues from the operation of any portion of the Refunded Project as security for, or a source of payment of, the Series 2015 Bonds. The Series 2015 Bonds are payable solely from, and secured solely by, the Series 2015 Trust Estate.

4. The willingness and/or ability of an owner of land to pay the Series 2015 Assessments could be affected by the existence of other taxes and assessments imposed upon the property by the District, the City, the County or other governmental entities with jurisdiction over the District. Public entities whose boundaries overlap those of the District, such as the City, the County, the Polk County School District and other special districts, could, without the consent of the owners of the land within the Series 2015 Assessment Area, impose additional taxes or assessments on the property within the Series 2015 Assessment Area. County, municipal, school, special district taxes and assessments, and voter-approved ad valorem taxes levied to pay principal of and interest on bonds, as well as the Series 2015 Assessments, are payable at one time. As referenced above, if a taxpayer does not make complete payment, he or she cannot generally designate specific line items on the tax bill as deemed paid in full. In such case, the Tax Collector does not accept such partial payment. Therefore, any failure to pay any one line item, whether or not it is the Series 2015 Assessments, would cause the Series 2015 Assessments not to be collected to that extent, which could have a significant adverse impact on the District's ability to make full or punctual payment of debt service on the Series 2015 Bonds. 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 or assessments on the property within the District. As referenced herein, the District may also impose additional assessments which could encumber the property burdened by the Series 2015 Assessments.

5. In addition to legal delays that could result from bankruptcy, the ability of the District to enforce collection of delinquent Series 2015 Assessments will be dependent upon various factors, including the delay inherent in any judicial proceeding to enforce the lien of the Series 2015 Assessments and the value of the land which is the subject of such proceedings and which may be subject to sale. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" herein. If the District has difficulty in collecting the Series 2015 Assessments, the Series 2015 Reserve Account could be rapidly depleted and the ability of the District to pay debt service could be materially adversely affected.

6. The Indenture does not provide for any adjustment to the interest rate(s) borne by the Series 2015 Bonds in the event of a change in the tax-exempt status of the Series 2015 Bonds. Such a change could occur as a result of the District's failure to comply with tax covenants contained in the Indenture or due to a change in the United States income tax laws. Various proposals are mentioned from time to time by members of the Congress of the United States of America and others concerning reform of the United States income tax laws. Certain of these proposals, if implemented, could have the effect of diminishing the value of obligations of states and their political subdivisions, such as the Series 2015 Bonds, by eliminating or changing the tax-exempt status of interest on certain of such bonds. Whether any of such proposals will ultimately become law, and, if so, what effect such proposals could have upon the value of bonds such as the Series 2015 Bonds, cannot be predicted. However, it is possible that any such law could have a material and adverse effect upon the value of the Series 2015 Bonds.

The IRS is examining certain bonds issued by Village Center Community Development District ("Village Center"). The formal conclusion of the IRS with respect to the Audited Bonds was issued on May 30, 2013 and publicly released on June 4, 2013, in the form of a non-precedential technical advice memorandum ("TAM") addressed to Village Center in connection with the Audited Bonds. The TAM only addresses the specific facts related to the Village Center and the Audited Bonds. The TAM concludes that Village Center is not a political subdivision authorized to issue tax-exempt bonds since it is not a division of state or local government because "it" was organized and operated to perpetuate private control and avoid indefinitely responsibility to a public electorate, either directly or through another elected State or local governmental body. That fact is not consistent with qualification as a political subdivision. We need not discuss any other requirements that a division of a State or local governmental unit might need to meet to qualify as an issuer of tax exempt bonds. Village Center is not a "state or political subdivision thereof for purposes of section 103(c)(1)." It is not possible to predict when the IRS's examinations of the Village Center Audited Bonds will be concluded, the outcome of the examinations and the impact, if any, of such outcome on the District and/or the Series 2015 Bonds.

There is no assurance that an audit by the IRS of the Series 2015 Bonds will not be commenced. Owners of the Series 2015 Bonds are advised that, if the IRS does audit the Series 2015 Bonds, under its current procedures, at least during the early stages of an audit, the IRS will treat the District as the taxpayer, and the owners of the Series 2015 Bonds may have limited rights to participate in such procedure. The commencement of such an audit could adversely affect the market value and liquidity of the Series 2015 Bonds until the audit is concluded, regardless of the ultimate outcome. In addition, in the event of an adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2015 Bonds, it is unlikely the District will have available revenues to enable it to contest such determination or enter into a voluntary financial settlement with the IRS. An adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2015 Bonds may adversely impact any secondary market for the Series 2015 Bonds, and if a secondary market exists, will likely adversely impact the price for which the Series 2015 Bonds may be sold.

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

7. If the District should commence a foreclosure action against a landowner for non-payment of the Series 2015 Assessments, such landowners may raise affirmative defenses to such foreclosure action, which

although such affirmative defenses may be proven to be without merit, could result in delays in completing the foreclosure action. In addition, the District would be required to fund the costs of such foreclosure. It is likely that the District will not have sufficient funds and will be compelled to request the Owners to provide funds to pay the costs of the foreclosure action. Under the Code, there are limitations on the amounts of Series 2015 funds that can be used for such purpose.

8. Under Florida law, a landowner may contest the assessed valuation determined for its property which 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 2015 Assessments are being collected along with ad valorem taxes pursuant to the Uniform Method, tax certificates will not be sold with respect to the Series 2015 Assessments even though the landowner is not contesting the amount of Series 2015 Assessment.

9. Owners should note that several mortgage lenders have, in the past, raised legal challenges in the trial court to the primacy of the liens of special assessments in relation to the liens of mortgages burdening the same real property; the applicable courts have held that the special assessment liens (like those of the Series 2015 Assessments) are superior to those of the commercial mortgage lenders.

ESTIMATED SOURCES AND USES OF FUNDS

Sources:

Par Amount of Series 2015 Bonds	\$ _____
Less Net Original Issue Discount	(_____)
Plus Other Legally Available Moneys ⁽¹⁾	_____
Total Sources	<u><u>\$ _____</u></u>

Uses:

Deposit to Escrow Account	\$ _____
Deposit to Series 2015 Costs of Issuance Account	_____
Deposit to Series 2015 Reserve Account	_____
Underwriter's Discount	_____
Deposit to Series 2015 Interest Account ⁽²⁾	_____
Total Uses	<u><u>\$ _____</u></u>

⁽¹⁾ Represents moneys remaining in the funds and accounts created under the supplemental indenture for the benefit of the Refunded Bonds.

⁽²⁾ To pay interest due on the Series 2015 Bonds on May 1, 2015 and November 1, 2015.

[Remainder of Page Intentionally Blank]

DEBT SERVICE REQUIREMENTS

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

Period Ending November 1	Series 2015 Bonds		
	Principal	Interest	Total Debt Service
2015	\$	\$	\$
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
Totals	\$	\$	\$

[Remainder of Page Intentionally Blank]

THE REFUNDED PROJECT

A portion of the proceeds of the Refunded Bonds were used to acquire and construct the Refunded Project. Each series of the Refunded Bonds financed a portion of the District's capital improvement program within certain phases of the development within the District. The improvements included within the Refunded Project consists of roads and street lighting, water and wastewater facilities, surface water management system, landscaping and security walls and associated professional fees. The District Engineer has certified completion of the Refunded Project.

THE SERIES 2015 ASSESSMENT AREA

The following information appearing below under the caption "THE SERIES 2015 ASSESSMENT AREA" has been furnished by the District or the District Manager or was obtained from publicly available sources for inclusion in this Limited Offering Memorandum and, although believed to be reliable, such information has not been independently verified by the Underwriter or its counsel.

General

Lake Ashton (the "Development") is a fifty-five plus (55+) deed-restricted community located within the City of Lake Wales (the "City"), in Polk County (the "County"), Florida on Thompson Nursery Road approximately one and one-half (1.5) miles west of U.S. Highway 27, a major north-south arterial road that extends to Miami. The Development is located approximately thirty-five (35) miles southwest of Orlando and forty five (45) miles southeast of Tampa. The Development is located within one (1) hour from both the Tampa International Airport and Orlando International Airport.

The District encompasses approximately 772 acres and was developed in six (6) phases by Lake Ashton Development Group, LLC, a Florida limited liability company, Lake Aston Golf Club Ltd., a Florida limited partnership and Lake Ashton Golf Club II, Ltd., a Florida limited partnership (collectively, the "Developer"). The six (6) phases of the Development include a total of 965 fully platted and developed residential units, an 18-hole, par 72 golf course and other recreational facilities as described in more detail herein.

	# of Units	Homes Sold	Vacant Developed Lots Owned by End-users	Vacant Developed Lots Owned by Developer
Phase I	268	268	0	0
Phase II	267	264	0	3
Phase III	192	192	0	0
Phase IV	81	80	1	0
Phase V	59	39	2	18
Phase VI	98	72	1	25
	965	915	4	46

The Development includes an approximate 25,000 square foot clubhouse with a golf pro shop, a grand ballroom, an extensive wellness and fitness center, billiard room, an arts and crafts room, a 48-seat theater, a four-lane bowling alley and a full service lounge and restaurant. The Development also includes tennis courts, and Olympic size swimming pool, covered and lighted shuffle board courts, half court lighted basketball court and a marina. Further, the Development has more than 100 acres of conservation areas and a 256-acre lake.

Series 2015 Assessment Area Data

The Series 2015 Bonds are secured by the Series 2015 Assessments which are levied on all six (6) phases of the Development. The Series 2015 Assessments are levied on 677 residential units (288 landowners have prepaid their assessments) and the golf course which is owned by Lake Ashton Golf Club Ltd. Of the 677 assessable residential units, approximately 627 or ninety-three percent (93%) have been sold to end users and have vertical construction thereon. The area on which the Series 2015 Assessments are levied is referred to hereinafter as the

"Series 2015 Assessment Area." The infrastructure improvements in the 2015 Assessment Area have been completed and were funded in part with the proceeds of the Refunded Bonds.

The information in the table below illustrates the allocation of the Series 2015 Assessments as obtained via the allocation in the FY2015 assessment roll provided by the District Manager.

Product Type	Assessable Units	Est. Series 2015 Bonds Annual Debt Service Assmnts.(1)	Est. Total Series 2015 Bonds Annual Debt Service(1)	Est. % of Series 2015 Bonds Annual Debt Service
SF Phase I-III 45'- 70'	151	\$558	\$84,253	15.28%
Condos Phase IV	16	\$677	\$10,835	1.96%
SF Phase I-III 45'-70'	320	\$760	\$243,317	44.12%
SF Phase IV-VI 60'-80'(2)	93	\$968	\$90,019	16.32%
SF Phase IV-VI 60'-80'(2)	69	\$1,052	\$72,614	13.17%
SF Phase IV-VI 60'-80'(2)	28	\$1,208	\$33,833	6.14%
Golf Course	1	\$16,574	\$16,574	3.01%
	678		\$551,445	100.00%

(1) Inclusive of gross-up for collection costs and discounts.

(2) Varying annual assessments are due to certain units within these phases being subject to one (1) or more series of Refunded Bonds.

Based upon information obtained from the Polk County Property Appraiser, the total assessed value for all assessable parcels located in the Series 2015 Assessment Area is \$98,944,623 which equates to an overall assessed value to lien ratio for the Series 2015 Assessment Area of approximately 16 to 1. The information in the table below depicts the estimated average assessed value to lien ratios for each of the individual product types located in the Series 2015 Assessment Area following the issuance of the Series 2015 Bonds based upon information obtained from the Polk County Property Appraiser.

Product Type	Assessable Units	Est. Series 2015 Bonds Principal Assessment Per Unit	Current Average Assessed Value Per Unit	Est. Average Assessed Value to Lien
SF Phase I-III 45'- 70'	151	\$6,116	\$151,713	25 to 1
Condos Phase IV	16	\$7,423	\$102,484	14 to 1
SF Phase I-III 45'-70'	320	\$8,335	\$142,861	17 to 1
SF Phase IV-VI 60'-80'(2)	93	\$10,611	\$161,248	15 to 1
SF Phase IV-VI 60'-80'(2)	69	\$11,536	\$128,175	11 to 1
SF Phase IV-VI 60'-80'(2)	28	\$13,246	\$113,487	9 to 1
Golf Course	1	\$181,686	\$1,662,568	9 to 1
	678			

(1) As stated above, there are approximately fifty (50) vacant developed lots. The average assessed value of these lots is approximately \$45,877 and is reflected in the calculations in the table above.

(2) Varying annual assessments are due to certain units within these phases being subject to one (1) or more series of Refunded Bonds.

As a result of the refunding of the Refunded Bonds, the annual debt service and principal assessments in the Series 2015 Assessment Area will decrease. The table below illustrates the estimated annual and corresponding principal Series 2015 Assessments following the issuance of the Series 2015 Bonds.

Product Type	Est. Series 2015 Bonds Annual Debt Service Assmnts.(1)	Est. Series 2015 Bonds Principal Assessment Per Unit
SF Phase I-III 45'- 70'	\$558	\$6,116
Condos Phase IV	\$677	\$7,423
SF Phase I-III 45'-70'	\$760	\$8,335
SF Phase IV-VI 60'-80'(2)	\$968	\$10,611
SF Phase IV-VI 60'-80'(2)	\$1,052	\$11,536
SF Phase IV-VI 60'-80'(2)	\$1,208	\$13,246
Golf Course	\$16,574	\$181,686

(1) Inclusive of gross-up for collection costs and discounts.

(2) Varying annual assessments are due to certain units within these phases being subject to one (1) or more series of Refunded Bonds.

In addition to debt service assessments, all residential units in the District are subject to annual ad valorem property taxes as well as non-ad valorem special assessments levied by the District for its operation, maintenance and administrative functions ("O&M Assessments"). The estimated 2014 millage rate for the City in which the District is located is 22.8041 mills. Based upon the adopted FY2015 budget, the O&M Assessments levied by the District for FY2015 are approximately \$1,714 per unit and will vary annually based on the adopted budget of the District each year. Further, all residential units in the District are subject to annual homeowner's association fees which vary by product type.

There has been prior default history on the Refunded Bonds due to non-payment by the Developer of certain assessments securing the Refunded Bonds (see "Prior Default History"). For the last three (3) fiscal years, the District has collected in excess of 100% of the net amount required to pay debt service as the landowners in the Series 2015 Assessment Area have not taken full advantage of the 4% discount allowed by Florida law for early payment of real estate taxes. The following table reflects historical collections for the last four (4) fiscal years for the District. Such information was obtained from the District Manager.

Fiscal Year	Net Amount Levied	Net Amount Collected*	% Collected(1)
FY 2013-14	\$663,980	\$671,240	101.09%
FY 2012-13	\$677,934	\$699,472	103.18%
FY 2011-12	\$697,768	\$700,595	100.41%
FY 2010-11	\$708,017	\$690,232	97.49%

(1) The shortfall in collections in FY2010-11 was a result of the non-payment by the Developer and a portion of the tax certificates pertaining to the delinquent assessments not selling. As discussed in more detail below, the Developer has brought current all of the delinquent assessments.

The information appearing in the table below provides the delinquency history and the result of the tax certificate sale process for the District based upon information obtained from the Polk County Tax Collector for the last four (4) fiscal years.

Fiscal Year	Gross Amount Levied	Amount Delinquent as of 3/31(1)	Gross Tax Certificates Sold(2)	Unsold Tax Certificates (3)
FY 2013-14	\$713,957	\$138,776	\$6,924	\$0
FY 2012-13	\$728,962	\$139,834	\$129,786	\$0
FY 2011-12	\$750,288	\$158,598	\$136,074	\$17,404
FY 2010-11	\$761,309	\$146,401	\$125,696	\$40,430

- (1) *The delinquencies were primarily attributable to the Developer's non-payment of assessments and have since been brought current.*
- (2) *The gross tax certificates sold include those sold at initial sale or sold or redeemed between initial sale and the District's fiscal year end.*
- (3) *The unsold tax certificates have since been paid/redeemed as a result of the Developer bringing current all delinquent assessments.*

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Bond Counsel, the form of which is included as Appendix C hereto, the interest on the Series 2015 Bonds is excludable from gross income and is not a specific item of tax preference for federal income tax purposes under existing statutes, regulations, rulings and court decisions. However, interest on the Series 2015 Bonds is taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on corporations pursuant to the Internal Revenue Code of 1986, as amended (the "Code"). Failure by the District to comply subsequently to the issuance of the Series 2015 Bonds with certain requirements of the Code, regarding the use, expenditure and investment of bond proceeds and the timely payment of certain investment earnings to the Treasury of the United States, may cause interest on the Series 2015 Bonds to become includable in gross income for federal income tax purposes retroactive to their date of issue. The District has covenanted to comply with all provisions of the Code necessary to, among other things, maintain the exclusion from gross income of interest on the Series 2015 Bonds for purposes of federal income taxation. In rendering its opinion, Bond Counsel has assumed continuing compliance with such covenants.

Internal Revenue Code of 1986

The Code contains a number of provisions that apply to the Series 2015 Bonds, including, among other things, restrictions relating to the use of investment of the proceeds of the Series 2015 Bonds and the payment of certain arbitrage earnings in excess of the "yield" on the Series 2015 Bonds to the Treasury of the United States. Noncompliance with such provisions may result in interest on the Series 2015 Bonds being included in gross income for federal income tax purposes retroactive to their date of issue.

Collateral Tax Consequences

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of, the Series 2015 Bonds. Prospective purchasers of the Series 2015 Bonds should be aware that the ownership of the Series 2015 Bonds may result in other collateral federal tax consequences. For example, ownership of the Series 2015 Bonds may result in collateral tax consequences to various types of corporations relating to (1) denial of interest deduction to purchase or carry such Series 2015 Bonds, (2) the branch profits tax, and (3) the inclusion of interest on the Series 2015 Bonds in passive income for certain Subchapter S corporations. In addition, the interest on the Series 2015 Bonds may be included in gross income by recipients of certain Social Security and Railroad Retirement benefits.

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

Bank Qualified Obligations

The District has designated the Series 2015 Bonds as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3)(B) of the Code, which may be treated pursuant to Section 265(b)(3)(A) of the Code as being acquired on August 7, 1986 for purposes of the application of Section 265(b)(2) of the Code in the case of certain financial institutions owning the Series 2015 Bonds. Any change in the findings and facts set forth in the

certifications of the District delivered at the closing with respect to the Series 2015 Bonds and relating to such designation could adversely impact the status of the Series 2015 Bonds as "qualified tax-exempt obligations."

Florida Taxes

In the opinion of Bond Counsel, the Series 2015 Bonds and interest thereon are exempt from taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, as defined in said Chapter 220.

Other Tax Matters

Interest on the Series 2015 Bonds may be subject to state or local income taxation under applicable state or local laws in other jurisdictions. Purchasers of the Series 2015 Bonds should consult their tax advisors as to the income tax status of interest on the Series 2015 Bonds in their particular state or local jurisdictions.

During recent years legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2015 Bonds. In some cases these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Series 2015 Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2015 Bonds and their market value. No assurance can be given that additional legislative proposals will not be introduced or enacted that would or might apply to, or have an adverse effect upon, the Series 2015 Bonds.

Additional Matters Relating to Special Districts

On May 30, 2013, the Internal Revenue Service (the "IRS") delivered to Village Center Community Development District, a Florida special district established under the Act ("Village Center CDD") a private ruling, called a technical advice memorandum (the "Villages TAM"), in connection with the examination by the IRS of bonds issued by the Village Center CDD. The Villages TAM concluded that, despite having certain eminent domain powers, the Village Center CDD is not a political subdivision permitted to issue bonds, the interest on which is exempt from federal income tax pursuant to Section 103(a) of the Code based on a number of facts including that its governing board is elected by a small group of landowners, and that it "was organized and operated to perpetuate private control and avoid indefinitely responsibility to a public electorate, either directly or through another elected state or local governmental body."

The Villages TAM, as a private, non-precedential, ruling, binds only the IRS and the Village Center CDD, and only in connection with the Village Center CDD bonds under examination and addressed in the Villages TAM. Moreover, the cited legal basis for the Villages TAM is extremely limited, and, therefore, the value of the Villages TAM as guidance is also limited. Nonetheless, the breadth and force of the language used in the Villages TAM may reflect the disfavor of the IRS toward governmental entities with governing boards elected by landowners, and this position may lead the enforcement branch of the IRS to select bonds of other issuers with landowner-controlled boards for examination." The Department of the Treasury in its 2013-2014 Priority Guidance Plan, released August 9, 2013 (the "Treasury Priority Guidance Plan") has further stated its intention to provide future guidance on the definition of political subdivision under Code section 103 for purposes of the tax-exempt, tax credit, and direct pay bond provisions, which reflects a potential change in the Department of Treasury's interpretation under current law. The National Association of Bond Lawyers ("NABL") has submitted a memorandum requesting guidance on whether an issuer with a limited number of property owners, electors or taxpayers is a political subdivision for purposes of section 103 of the Internal Revenue Code as the result of the TAM, stating that NABL is concerned that the Internal Revenue Service's position in the TAM is contrary to established legal authority regarding the requirements for a District to qualify as a political subdivision.

Currently, all of the members of the Board of Supervisors of the District have either been elected by qualified electors. The Act, which contains the uniform statutory charter for all community development districts, by which the District is governed delegates to the District traditional sovereign powers including, but not limited to, eminent domain, ad valorem taxation and regulatory authority over zoning and building codes and rates, fees and charges for district facilities. On the basis of the Act and certain representations by the District, it does not appear

from the facts and circumstances that the District was organized to avoid indefinitely responsibility to a public electorate. On the basis of the foregoing and other factors, Bond Counsel has concluded that under current law the District is a political subdivision for purposes of Section 103 of the Code, notwithstanding that its Board of Supervisors is temporarily elected by landowners. Bond counsel intends to deliver its unqualified approving opinion in the form attached hereto as "APPENDIX C - Form of Opinion of Bond Counsel".

The release of the Villages TAM may cause an increased risk of examination of the Series 2015 Bonds. Owners of the Series 2015 Bonds are advised that, if the IRS does audit the Series 2015 Bonds, under its current procedures, at least during the early stages of an audit, the IRS will treat the District as the taxpayer, and the owners of the Series 2015 Bonds may have limited rights to participate in such procedure. The Indenture does not provide for any adjustment to the interest rates borne by the Series 2015 Bonds in the event of a change in the tax-exempt status of the Series 2015 Bonds. The commencement of an audit or an adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2015 Bonds would adversely impact both liquidity and pricing of the Series 2015 Bonds in the secondary market.

Tax Treatment of Original Issue Discount

Bond Counsel is further of the opinion that the difference between the principal amount of the Series 2015 Bonds maturing ____ through ____, inclusive (collectively the "Discount Bonds") and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Discount Bonds of the same maturity was sold constitutes original issue discount which is excluded from gross income for Federal income tax purposes to the same extent as interest on the Series 2015 Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount Bond and the basis of each Discount Bond acquired at such initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Discount Bonds, even though there will not be a corresponding cash payment. Owners of the Discount Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Discount Bonds.

Bond Premium

The difference between the principal amount of the Series 2015 Bonds maturing ____ through and including ____ (collectively, the "Premium Bonds") and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Premium Bonds of the same maturity was sold constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for Federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each Premium Bond [(or, in the case of a Premium Bond callable prior to maturity, the amortization period and yield must be determined on the basis of the earliest call date that results in the lowest yield on the Premium Bond)]. For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation in the initial offering to the public at the initial offering price is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Bonds. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Section 517.051, Florida Statutes, and the regulations promulgated thereunder (the "Disclosure Act") requires that the District make a full and fair disclosure of any bonds or other debt obligations that it has issued or guaranteed and that are or have been in default as to principal or interest at any time after December 31, 1975. The District has not been in default as to principal and interest on any bonds or other debt obligations.

VALIDATION

Bonds issued pursuant to the Master Indenture have been validated by a final judgment of the Circuit Court in and for Polk County, Florida. The period during which an appeal can be taken has expired with no appeal being filed.

LITIGATION

There is no pending or, to the knowledge of the District, any threatened litigation against the District of any nature whatsoever which in any way questions or affects the validity of the Series 2015 Bonds, or any proceedings or transactions relating to their issuance, sale, execution, or delivery, or the execution of the Indenture. Neither the creation, organization or existence of the District, nor the title of the present members of the Board of Supervisors has been challenged.

From time to time, the District expects to experience routine litigation and claims incidental to the conduct of its affairs. In the opinion of Counsel to the District, there are no actions presently pending or threatened, the adverse outcome of which would have a material adverse effect on the availability of the Series 2015 Trust Estate or the ability of the District to pay the Series 2015 Bonds from the Series 2015 Trust Estate.

CONTINUING DISCLOSURE

In order to comply with the continuing disclosure requirements of Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the "SEC Rule"), the District will enter into a Continuing Disclosure Certificate (the "Disclosure Agreement"), the form of which is attached hereto as APPENDIX D. Pursuant to the Disclosure Agreement, the District has covenanted for the benefit of Owners to provide certain financial information and operating data relating to the District and the Series 2015 Bonds in each year (the "District Annual Report"), and to provide notices of the occurrence of certain enumerated material events. Such covenant by the District shall only apply so long as the Series 2015 Bonds remain outstanding under the Indenture.

The District Annual Report will be filed by the District with the Municipal Security Rulemaking Board's Electronic Municipal Markets Access ("EMMA") repository described in the form of the Disclosure Agreement attached hereto as APPENDIX D. Notices of any material events will also be filed by the District with EMMA. In accordance with the SEC Rule and pursuant to the Disclosure Agreement, the District has appointed Prager & Co., LLC, as the dissemination agent for all of the foregoing disclosure materials. The specific nature of the information to be contained in the District Annual Report and the notices of material events are described in APPENDIX D. The Disclosure Agreement will be executed by the District at the time of issuance of the Series 2015 Bonds. The foregoing covenants have been made in order to assist the Underwriter in complying with the SEC Rule.

[Prior compliance to be discussed.]

UNDERWRITING

The Underwriter has agreed pursuant to a contract entered into with the District, subject to certain conditions, to purchase the Series 2015 Bonds from the District at an aggregate purchase price of \$_____ (representing (i) the par amount of the Series 2015 Bonds of \$_____, minus net original issue discount of \$_____ and less an Underwriter's discount of \$_____). See "ESTIMATED SOURCES AND USES OF FUNDS" herein. The Underwriter's obligations are subject to certain conditions precedent and the Underwriter will be obligated to purchase all the Series 2015 Bonds if any are purchased.

The Underwriter intends to offer the Series 2015 Bonds at the offering prices set forth on the cover page of this Limited Offering Memorandum, which may subsequently change without prior notice. The Underwriter may offer and sell the Series 2015 Bonds to certain dealers (including dealers depositing the Series 2015 Bonds into investment trusts) at prices lower than the initial offering prices and such initial offering prices may be changed from time to time by the Underwriter.

LEGAL MATTERS

The Series 2015 Bonds are offered for delivery when, as and if issued by the District and accepted by the Underwriter, subject to prior sale, withdrawal or modification of the offer without notice and the receipt of the opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, as to the validity of the Series 2015 Bonds and the excludability of interest thereon from gross income for federal income tax purposes. Certain legal matters will be passed upon for the District by its counsel, Latham, Shuker, Eden & Beaudine, LLP, Orlando, Florida, for the Trustee by its counsel, Holland & Knight LLP, Miami, Florida, and for the Underwriter by its counsel, Akerman LLP, Orlando, Florida.

AGREEMENT BY THE STATE

Under the Act, the State pledges to the holders of any bonds issued thereunder, including the Series 2015 Bonds, that it will not limit or alter the rights of the issuer of such bonds 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.

FINANCIAL STATEMENTS

The financial statements of the District for the Fiscal Year ended September 30, 2013, included in this Limited Offering Memorandum have been audited by McDermitt Davis & Company LLC, independent certified public accountants, as stated in their report appearing in Appendix E. Such audit is being included as Appendix E as a publicly available document and consent of the auditors to its inclusion was not obtained. The District has covenanted in the Disclosure Agreement attached hereto as Appendix D to provide its annual audit commencing with the audit for the District Fiscal Year ended September 30, 2014, to certain information repositories as described therein.

EXPERTS AND CONSULTANTS

The references herein to Governmental Management Services—South Florida, LLC, as Assessment Consultant have been approved by said firm.

CONTINGENT AND OTHER FEES

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

NO RATING OR CREDIT ENHANCED

The Series 2015 Bonds are neither rated nor credit enhanced. No application for a rating or credit enhancement with respect to the Series 2015 Bonds was made.

MISCELLANEOUS

Any statements made in this Limited Offering Memorandum involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Limited Offering Memorandum nor any statement that may have been made verbally or in writing is to be construed as a contract with the holders of the Series 2015 Bonds.

The information and expression of opinion herein are subject to change without notice and neither the delivery of this Limited Offering Memorandum nor any sale made hereunder is to create, under any circumstances, any implication that there has been no change in the affairs of the District or the Development from the date hereof. However, certain parties to the transaction will, on the closing date of the Series 2015 Bonds, deliver certificates to the effect that nothing has come to their attention that would lead them to believe that applicable portions of the Limited Offering Memorandum contains an untrue statement of a material fact or omits to state a material fact that should be included herein for the purpose for which the Limited Offering Memorandum is intended to be used, or that is necessary to make the statements contained herein, in light of the circumstances under which they were made, not misleading and to the effect that from the date of the Limited Offering Memorandum to the date of closing of the Series 2015 Bonds that there has been no material adverse change in the information provided.

This Limited Offering Memorandum is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, as a whole or in part, for any other purpose. The appendices hereof are integral parts of this Limited Offering Memorandum and must be read in their entirety together with all foregoing statements.

**LAKE ASHTON COMMUNITY DEVELOPMENT
DISTRICT**

By: _____
Its: Chair

APPENDIX A

Supplemental Assessment Report

APPENDIX B

Forms of Master Indenture and Fourth Supplemental Trust Indenture

APPENDIX C

Form of Opinion of Bond Counsel

APPENDIX D

Form of Continuing Disclosure Certificate

APPENDIX E

**Audited Financial Statements of the
District for Fiscal Year Ended September 30, 2013**