

*Deer Run Community
Development District*

Agenda

August 24, 2017

AGENDA

Deer Run

Community Development District

135 W. Central Blvd., Suite 320, Orlando, Florida 32801
Phone: 407-841-5524 – Fax: 407-839-1526

August 17, 2017

**Board of Supervisors
Deer Run Community
Development District**

Dear Board Members:

The Board of Supervisors of Deer Run Community Development District will meet **Thursday, August 24, 2017 at 3:00 PM at the Government Services Building, 1769 E. Moody Blvd, Bunnell, FL.** Following is the advance agenda for the meeting:

- I. Roll Call
- II. Public Comment Period
- III. Approval of Minutes of the May 25, 2017 Meeting
- IV. Public Hearing
 - A. Consideration of Resolution 2017-07 Adopting the Fiscal Year 2018 Budget and Relating to the Annual Appropriations
 - B. Consideration of Resolution 2017-08 Imposing Special Assessments and Certifying an Assessment Roll
- V. Consideration of Deficit Funding Agreement
- VI. Ratification of Construction and Access Agreement
- VII. Review and Acceptance of Fiscal Year 2016 Audit Report
 - A. Presentation of JLAC Letter
- VIII. Financing Matters
 - A. Consideration of Engineer's Report
 - B. Consideration of Assessment Methodology
 - C. Consideration of Resolution 2017-09 Declaring Special Assessments and Approval of Assessment Methodology
 - D. Consideration of Resolution 2017-10 Setting Public Hearing for Special Assessments
 - E. Consideration of Resolution 2017-11 Bond Delegation
 - F. Consideration of Acquisition Agreement
 - G. Consideration of Settlement Agreement
 - H. Consideration of Completion Agreement
 - I. Consideration of Collateral Assignment Agreement
 - J. Consideration of True-Up Agreement
- IX. Staff Reports
 - A. Attorney
 - B. Engineer
 - C. District Manager's Report
 - 1. Approval of Check Register
 - 2. Balance Sheet and Income Statement
 - 3. Field Manager's Report

- i. Discussion of Landscape Proposal
- 4. Approval of Fiscal Year 2018 Meeting Schedule
 - X. Other Business
 - XI. Supervisors Requests
 - XII. Adjournment

- 3. The second order of business of the Board of Supervisors Meeting is the Public Comment Period where the public has an opportunity to be heard on propositions coming before the Board as reflected on the agenda, and any other items.

The third order of business is approval of the minutes from the May 25, 2017 meeting A copy of the minutes are enclosed for your review.

Section A of the fourth order of business opens the public hearing to adopt the Fiscal Year 2018 budget and assessments. Section 1 is the consideration of Resolution 2017-04 adopting the Fiscal Year 2018 budget and relating to the annual appropriations. A copy of the Resolution and approved budget are enclosed for your review. Section B is the consideration of Resolution 2017-05 imposing special assessments and certifying an assessment roll. A copy of the Resolution is enclosed for your review.

The fifth order of business is the consideration of the deficit funding agreement. A copy of the agreement is enclosed for your review.

The sixth order of business is the ratification of construction and access agreement. The agreement is enclosed for your review.

The seventh order of business is the review and acceptance of Fiscal Year 2016 audit report. A copy of the report will be provided under separate cover.

The eighth order of business opens the financing matters. Section A is the consideration of the Engineer's Report. A copy of the report is enclosed for your review. Section B is the consideration of the assessment methodology report. A copy of the report is enclosed for your review. Section C is the of Resolution 2017-06 authorizing the issuance of bonds and authorizing the commencement of validation proceedings. A copy of the resolution is enclosed for your review. Section D is the consideration of resolution 2017-07 declaring special assessments and approval of the assessment methodology. A copy of the resolution is enclosed for your review. Section E is the consideration of resolution 2017-08 setting a public hearing for special assessments. A copy of the resolution is enclosed for your review. Section F is the consideration of resolution 2017-09 bond delegation. A copy of the resolution and back-up is enclosed for your review. Section G is the consideration of the acquisition agreement. The agreement is enclosed for your review. Section H is the consideration of settlement agreement. A copy of the agreement is enclosed for your review. Section I is the consideration of the completion agreement. A copy of the agreement is enclosed for your review. Section J is the collateral assignment agreement. A copy of the agreement is enclosed for your review. Section K is the true-up agreement. A copy of the agreement is enclosed for your review.

Section C of the ninth order of business is the District Manger's report. Section 1 includes the check register being submitted for approval and Section 2 includes the balance sheet and

income statement for your review. Section 3 is the Field Manager's Report that will update you on the status of any field or maintenance issues around the community. Section 1 of section 3 is the discussion of landscape proposal. The report will be provided under separate cover. Section 4 is the approval of the Fiscal Year 2018 meeting schedule. A copy of the schedule is enclosed for your review.

The balance of the agenda will be discussed at the meeting. In the meantime, if you have any questions, please contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "J. M. Showe", with a stylized flourish at the end.

Jason M. Showe

District Manager

CC: Roy Van Wyk, District Counsel
Rey Malave, District Engineer
Gina Grimes, Hill Ward Henderson
Irvin Weinstein, Roger Towers, P.A.
Darrin Mossing, GMS

Enclosures

MINUTES

MINUTES OF MEETING
DEER RUN
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Deer Run Community Development District was held Thursday, May 25, 2017 at 3:00 p.m. in the Government Services Building, 1769 E. Moody Boulevard, Bunnell, Florida.

Present and constituting a quorum through organizational matters were:

James Marvin	Chairman
Duane Owen	Assistant Secretary
Jan Doan	Assistant Secretary

Present and constituting a quorum after organizational matters were:

Robert Porter	Chairman
Mark Dearing	Vice Chairman
Duane Owen	Assistant Secretary
James Teagle	Assistant Secretary
Jan Doan	Assistant Secretary

Also present were:

Jason Showe	District Manager
Sarah Warren	District Counsel (by phone)
Rey Malave	District Engineer
Alan Scheerer	Field Manager

FIRST ORDER OF BUSINESS

Roll Call

Mr. Showe called the meeting to order.

SECOND ORDER OF BUSINESS

Public Comment Period

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Organizational Matters

A. Consideration of Resolution 2017-01 Canvassing and Certifying the Results of the Landowners' Election

Mr. Showe stated Resolution 2017-01 canvasses and certifies the results of the landowners' election.

On MOTION by Mr. Marvin seconded by Mr. Owen with all in favor Resolution 2017-01 was approved.

B. Acceptance of Resignations of Board Members and Appointment of Individuals to Fill Board Vacancies

Mr. Showe stated we have resignations from David Jae and Scott Campbell and in order to keep a quorum we will need to accept those resignations then appoint two individuals to fill those seats then we will take the last resignation.

On MOTION by Mr. Marvin seconded by Mr. Owen with all in favor Mr. Campbell's and Mr. Jae's resignations were accepted.

Mr. Showe stated we have vacancies in Seats 5 and 3, seat 5 has a term that goes through 2020 and Seat 3 has a term that goes through 2018. Are there any appointments to fill those vacancies?

On MOTION by Mr. Marvin seconded by Mr. Owen with all in favor Bob Porter was appointed to fill seat 5 with a term ending in 2020 and Mark Dearing was appointed to Seat 3 with a term ending in 2018.

Mr. Showe being a Notary Public of the State of Florida administered the Oaths of Office to Mr. Porter and Mr. Dearing.

Mr. Showe stated Mr. Marvin has also submitted his resignation.

On MOTION by Mr. Dearing seconded by Mr. Porter with all in favor Mr. Marvin's resignation was accepted.

Mr. Showe stated that leaves a vacancy in Seat 1 with a term ending in 2018. Is there an appointment to fill this seat?

On MOTION by Mr. Porter seconded by Mr. Dearing with all in favor James Teagle was appointed to Seat 1 with a term ending in 2018.

C. Administration of Oath of Office

Mr. Showe being a Notary Public of the State of Florida administered the Oath of Office to Mr. Teagle.

Mr. Showe stated I will go through the packet of information. The second page is your information form and if you will fill that out and provide it to me after the meeting we will have all of your contact information. Next is the form 1 statement of financial interests and is required to be filled out and submitted to the Supervisor of Elections in the county in which you reside within 30 days of today. We recommend that you get a signed copy or something dated that shows that you turned it in because there are potential fines if it is not turned in on time. Behind that is a form 1F that is a final statement of financial interests and you will complete this form in the event you were to leave the Board and that is to be filed within 60 days of leaving the Board. Next is a W4 and I-9 forms and as a member of the Board you are eligible to receive up to \$200 per meeting and do you choose to accept or waive that compensation?

All new Board members accepted compensation.

Mr. Showe stated you will need to complete the W4 and I-9 and turn that in to our office. After that is a memorandum of voting conflict and in the event you feel you have a conflict of interest on an item that may come before the Board we would ask that you talk to myself or District Counsel to make sure you have a conflict of interest and in the event you do have one, this is the form that you would file with our office. Finally, there is a booklet on the guide to the Sunshine Amendment and government ethics. You are now a public official and you are required to follow Sunshine laws, which means you are not allowed to have conversations with other Board members outside of a publicly noticed meeting about things that may reasonably come before the Board for a vote, that is any conversation, text, phone calls, emails. When we send out emails from our office it will have a note at the bottom that says please do not reply to all. If there is something you need distributed to the entire Board, send that to our office and we can distribute that to the Board. It is our function as District Manager to keep all the records of the District and you don't have to keep any of the records. However, if you do keep them we recommend you separate those into a separate file so that in the event there is a public records

request your personal or business items are not comingled with District records. If you already have those forms on file with the Supervisor of Elections you can add this District to that when you receive the annual renewal form.

Ms. Warren rejoined the meeting by telephone conference at this time.

D. Consideration of Resolution 2017-02 Electing Officers

Mr. Showe stated Resolution 2017-02 is a resolution electing officers. We ask that from our office if you could put Ariel Lovera as Treasurer, George Flint as Secretary and myself as Assistant Secretary that will help facilitate paperwork on our end.

On MOTION by Mr. Teagle seconded by Mr. Dearing with all in favor Resolution 2017-02 electing the following officers was approved: Bob Porter Chairman, Mark Dearing Vice Chairman, Ariel Lovera Treasurer, George Flint Secretary, Duane Owen, James Teagle and Jason Showe Assistant Secretaries.

FOURTH ORDER OF BUSINESS

Approval of the Minutes of the September 14, 2016 Board of Supervisors Meeting and Acceptance of the Minutes of the November 17, 2016 Landowners' Meeting

On MOTION by Mr. Porter seconded by Mr. Dearing with all in favor the minutes of the September 14, 2016 Board meeting were approved and the November 17, 2016 Landowners' Meeting minutes were accepted.

FIFTH ORDER OF BUSINESS

Consideration of Resolution 2017-03 Adopting Prompt Payment Policies

On MOTION by Mr. Porter seconded by Mr. Dearing with all in favor Resolution 2017-03 was approved.

SIXTH ORDER OF BUSINESS

Consideration of Resolution 2017-04 Approving the Fiscal Year 2018 Budget and Setting a Public Hearing

Mr. Showe stated this is the start of the Fiscal Year 2018 budget process and this resolution approves the proposed budget, attached as Exhibit A and sets the public hearing to

adopt the final budget for August 24th, in this location. You can check your calendars to see if you are available on that date and if not we can change that. The resolution also directs us to transmit this to Flagler County and City of Bunnell at least 60 days in advance of the public hearing.

Mr. Porter asked are all our meetings typically on a Thursday afternoon?

Mr. Showe stated that is when the District has met and August is the last meeting scheduled for Fiscal Year 2017 and we will look at a meeting schedule for 2018.

Mr. Porter stated I have a routine conflict at 1:00 p.m. and it would be hard for me but 3:00 p.m. works great if that works for everybody else.

Mr. Showe stated we will adjust that resolution to reflect a 3:00 p.m. start time. After talking to Mr. Porter we have mirrored the 2017 budget for 2018. We contemplate keeping the assessment level and will enter into a developer funding agreement for Fiscal Year 2018 for any additional expenses outside of the budget. Going into Fiscal Year 2019 we will have a better handle on where the assessments need to be.

On MOTION by Mr. Porter seconded by Mr. Dearing with all in favor Resolution 2017-04 approving the proposed Fiscal Year 2018 budget and setting the public hearing for August 24, 2017 at 3:00 p.m. in the same location was approved.

SEVENTH ORDER OF BUSINESS

Presentation of Upland Buffer and Wetland Restoration Annual Monitoring Report 2016 Grand Reserve

Mr. Showe stated there is no action required by the Board on this item but it is the upland buffer and wetland restoration annual monitoring report for last year and we included that as part of your agenda package and is part of the contract we have for those services.

Mr. Scheerer stated they have been out here doing the report for the last two years, it seems complete and indicates there was some failure of some of the plant material and we will have to look at replacement on that going forward but for the most part it appears to be a good report and plants are adapting quite nicely.

Mr. Dearing asked what is the term?

Mr. Scheerer responded it is a five-year monitoring report. After that we can look at any ongoing maintenance in addition to the five-year monitoring report.

EIGHTH ORDER OF BUSINESS**Consideration of Proposal from Applied Aquatic Management for Additional Pond Services at Main Entrance**

Mr. Scheerer stated we had an onsite meeting as everyone from D.R. Horton is aware of with Mr. Teagle, myself and several contractors. It was requested that we clean up the water feature at the U.S. 1 entrance that happened relatively quickly if you have been on property before and look at it today I think it looks quite nice. With all the plants and everything that was sprayed around the pond it is recommended that we do some ongoing maintenance to keep it that way. We asked Applied Aquatic who did a lot of the work out there for proposal and David Beck's group from EcoTec Environmental to provide us with a proposal for monthly maintenance. Included in your agenda package is a proposal for the year for a total annual cost of \$1,320 to come out and spray and maintain all the invasive species within that body of water going forward. In talking with Mr. Teagle he had a desire to thin out some of the lily pads and that wouldn't be an additional cost we would just work with the vendor. We didn't want to go too far and we can always do more.

Mr. Dearing asked is this for one lake?

Mr. Scheerer responded this is the one lake out front, the water feature out front.

Mr. Porter asked what about the other lakes do they need it?

Mr. Scheerer stated they need it too. A little history on that is Sarah had forwarded a year or two years ago a master plan of all the lakes and there was supposed to have been some sort of shared costs. Perhaps the golf course would maintain the banks on their side, the homeowners or the developer or CDD would maintain on the home site side, and there would be CDD costs and golf course costs but we were not asked to pursue that at that time.

Mr. Showe stated I think the agreement is in place; however, we were asked by the previous Board to not do any of the lake maintenance until such time as development warranted it.

Mr. Scheerer stated we can forward that information to you so you can see the documents.

Mr. Porter stated I don't even need to see them. I will move approval of what you have now but ask you to go ahead and arrange to get us a proposal for the rest.

Mr. Scheerer asked all the lakes?

Mr. Porter stated all the lakes that are visible to anyone who is going to be a resident, anything that backs up to any of the lots or is visible from the parkway.

Mr. Scheerer stated I understand everything on the first phase coming in U.S. 1 where you are building the current homes. Golf course ponds as well or not golf course ponds? Mr. Teagle do you want to work on that with me and we will bring back a proposal? There is a lot of lake bank work that needs to be done.

Mr. Porter stated let's get it right. You don't have to do the golf course at this point.

Mr. Scheerer stated I will have it for the next meeting.

On MOTION by Mr. Porter seconded by Mr. Dearing with all in favor the proposal from Applied Aquatic Management for additional pond maintenance services at the main entrance in the amount of \$1,320 was approved.

NINTH ORDER OF BUSINESS

Consideration of Agreement with Greenberg Traurig, P.A. to Provide Bond Counsel Services

Mr. Showe stated the next two items have been added to the agenda and I have handed out those documents to you. The first is the agreement with Greenberg Traurig to provide Bond Counsel services.

On MOTION by Mr. Porter seconded by Mr. Dearing with all in favor the engagement letter with Greenberg Traurig to serve as Bond Counsel was approved.

TENTH ORDER OF BUSINESS

Consideration of Agreement with MBS Capital Markets, LLC to Provide Underwriting Services

Mr. Showe stated next is an agreement with MBS Capital Markets for underwriting services.

On MOTION by Mr. Porter seconded by Mr. Doan with all in favor the agreement with MBS Capital Markets to serve as Underwriter was approved.

ELEVENTH ORDER OF BUSINESS

Ratification of Dissemination Agent Agreement with Lerner Reporting Services, Inc.

Mr. Showe stated next is ratification of the dissemination agent agreement with Lerner Reporting Services.

Mr. Porter asked do we still want to do this even though they are not on the Board?

Mr. Showe stated yes, the Board approved their proposal at the last meeting we just didn't have the full contract.

On MOTION by Mr. Porter seconded by Mr. Dearing with all in favor the dissemination agent agreement with Lerner Reporting Services, Inc. was ratified.

TWELFTH ORDER OF BUSINESS

Ratification of Fiscal Year 2016 Auditing Services Agreement with Berger Toombs Elam Gaines & Frank

Mr. Showe stated we signed this agreement due to the timeframe to get the audit started since we didn't have a meeting.

On MOTION by Mr. Porter seconded by Mr. Dearing with all in favor the engagement letter with Berger Toombs Elam Gaines & Frank to perform the Fiscal Year 2016 audit was ratified.

THIRTEENTH ORDER OF BUSINESS

Consideration of items Regarding Land Sale

A. Consideration of Resolution 2017-05 Declaring Special Assessments for Bond Refunding

Mr. Warren stated Resolution 2017-05 is going to declare the assessments to be sure the refunding bonds at the time those are issued.

On MOTION by Mr. Porter seconded by Mr. Dearing with all in favor Resolution 2017-05 was approved.

B. Consideration of Fee Agreement for Bond Refunding with Hopping Green & Sams, P.A.

On MOTION by Mr. Porter seconded by Mr. Teagle with all in favor the fee agreement with Hopping Green & Sams for the bond refunding was approved.

C. Consideration of Resolution 2017-06 Approving and Confirming Special Assessments and Confirming Intention to Refund the Special Assessment Bonds

Ms. Warren stated Resolution 2017-06 authorizes the refunding and confirms the 2008 project that was set forth in the Engineer's report and confirms the lien of assessments with the Series 2008 Bonds and finds that the Board believes it is in the District's best interest to refund the bonds and authorizes staff to move forward with the process of procuring the necessary documents.

On MOTION by Mr. Porter seconded by Mr. Dearing with all in favor Resolution 2017-06 was approved.

D. Consideration of Agreements with D.R. Horton, Inc.

- i. Bond Team Funding Agreement**
- ii. Form of Budget Deficit Funding Agreement**
- iii. License Agreement to Provide Sign Installation and Maintenance of Marketing Signs**
- iv. Consideration of Temporary Construction and Maintenance Easement Agreement**

On MOTION by Mr. Porter seconded by Mr. Dearing with all in favor the above referenced agreements were approved.

FOURTEENTH ORDER OF BUSINESS Approval of Request for Qualifications for Engineering Services

Mr. Porter stated I talked with the folks from Dewberry whom I have not met before and I'm perfectly happy with what we have now.

FIFTEENTH ORDER OF BUSINESS Staff Reports

A. Attorney

There being none, the next item followed.

B. Engineer

Mr. Malave stated we were authorized a while back to do a public facilities report as required by the state and I have a draft that I would like you to look at before I hand it in and also Roy or Sarah to look at it. I will send copies out this afternoon or tomorrow morning and we will go from there.

Mr. Porter stated I'm not accustomed to providing reuse. I have seen them expanding the reuse system.

Mr. Malave stated they are bringing a line that is coming right to our main entrance to be connected to our irrigation. Sarah, isn't there a reuse agreement?

Ms. Warren stated there is a reuse agreement that was in place with the original developer.

Mr. Malave asked but it wasn't with the CDD?

Ms. Warren stated no, I believe it was with the original developer.

Mr. Malave stated there was contemplation at that time to do that and I don't remember without looking at the drawings, but they were supposed to use the aqua place as a place to discharge reuse water and then we can pump out of there using the same equipment. The intent was we were not going to tear out all the streets to put the reuse pipe in there and just use the irrigation system. That is as much as I remember for now.

Mr. Porter stated we don't want to be in the utility business if we can avoid it as you can understand. If that meant that we had to pay for a meter for everybody or whatever one time I think we could probably live with that. Would you get with the city and see if there is some basis? I don't mind installing it going forward and I don't mind paying meter fees but I do not want to own a reuse system.

Mr. Scheerer stated every lot already has a curb stop already on the property. The issue is from the storage pond through the system to who is going to bill and collect and it may be the City of Bunnell.

Mr. Malave stated the key is turning over the system to the city is what we would want.

Mr. Porter stated we don't want to be in that business. I would much rather us doing it one time and an upgrade if we need to and out of the business.

C. Manager

i. Approval of Check Register

On MOTION by Mr. Porter seconded by Mr. Dearing with all in favor the check registers were approved.

ii. Balance Sheet and Income Statement

A copy of the balance sheet and income statement was included in the agenda package.

iii. Presentation of Number of Registered Voters - 10

A copy of the letter from the Supervisor or Elections indicating there are 10 registered voters in the District was included in the agenda package.

iv. Field Manager's Report

Mr. Scheerer stated we have talked about a lot of the items. I did meet today with Yellowstone Landscaping we do that every month and review the community. A couple issues came up and I let Mr. Teagle know that the irrigation controller at the U.S. 1 entrance is gone and he and I will work on getting that replaced once the new landscape goes in. Also, one of the survey trucks backed over a valve at the 100 entrance and broke the main line and that happened today and we shut the water off immediately and will have it repaired as quickly as possible. We are happy you are here it has been a long time coming.

Mr. Porter stated we are happy to be here and congratulations on the way the place looks given the fact that you had to do it with their budget. I would like to authorize James to work with you and order whatever else we need to get started on trying to upgrade everything. I understand you have been short of money but if we need fertilizer or weeds pulled or mulch and so forth.

Mr. Scheerer stated one of the things that Mr. Teagle and I discussed was maybe reviewing the scope of services for the landscape contract and some of the areas of responsibility will change because the rights of ways we are currently maintaining under the \$3,100 a month that we are spending with Yellowstone and that will go to the lot owner once the home is built and sidewalks are installed. I think we have good room for improvement once the landscaping goes in, the mulch goes in, some tree ring work and other things and I will work with Mr. Teagle on that.

Mr. Porter stated work with James and do whatever needs to be done and bring it back for ratification at the next meeting. I don't want to wait.

v. Presentation of Arbitrage Rebate Calculation Report

Mr. Showe stated the last item is presentation of the arbitration report that is required as part of the bond indenture and you will see that there is no rebate liability.

On MOTION by Mr. Porter seconded by Mr. Dearing with all in favor the arbitrage rebate calculation report was accepted.

SIXTEENTH ORDER OF BUSINESS Other Business

There being none, the next item followed.

SEVENTEENTH ORDER OF BUSINESS Supervisor's Requests

Mr. Porter asked what else has not been done that needs to be done?

Mr. Showe stated it's what Alan has been talking about. We have dialed back on the landscaping.

Mr. Scheerer stated the landscaping and the lakes. There is a great opportunity to provide a great view to new homeowners and it has been that way for a long time and I think if we can move forward to clean up some of these lake banks and Grand Reserve Boulevard and interior ponds I think that will go a long way and maybe the up lighting too at the entrances, cleaning the entry features and repainting. The only recommendation I have on the lighting is to get rid of the lights out front and replace them with LED. It is worth the expense and will give you a nicer look especially after you invest the time and money to redo the entrances.

On MOTION by Mr. Doan seconded by Mr. Teagle with all in favor the meeting adjourned at 1:33 p.m.

Secretary/Assistant Secretary

Chairman/Vice Chairman

SECTION IV

RESOLUTION 2017-07

THE ANNUAL APPROPRIATION RESOLUTION OF THE DEER RUN COMMUNITY DEVELOPMENT DISTRICT (“DISTRICT”) RELATING TO THE ANNUAL APPROPRIATIONS AND ADOPTING THE BUDGETS FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2017, AND ENDING SEPTEMBER 30, 2018; AUTHORIZING BUDGET AMENDMENTS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the District Manager has, prior to the fifteenth (15th) day in June, 2017, submitted to the Board of Supervisors (“**Board**”) proposed budgets for the next ensuing budget year along with an explanatory and complete financial plan for each fund of the District, pursuant to the provisions of Section 190.008(2)(a), *Florida Statutes*; and

WHEREAS, at least sixty (60) days prior to the adoption of the proposed annual budgets (“**Proposed Budget**”), the District filed a copy of the Proposed Budget with the local governing authorities having jurisdiction over the area included in the District pursuant to the provisions of Section 190.008(2)(b), *Florida Statutes*; and

WHEREAS, on May 24, 2017, at a duly noticed public meeting, the Board adopted Resolution 2017-04, approving the proposed budget for Fiscal Year 2017-2018, and setting the public hearing on the proposed budget for August 24, 2017, at 1:30 p.m., at the Government Services Building, 1769 E. Moody Blvd., Bunnell, Florida; and

WHEREAS, the District Manager posted the Proposed Budget on the District’s website at least two days before the public hearing and timely transmitted the Proposed Budget to the manager or administrator of Flagler County and the City of Bunnell for posting on their websites; and

WHEREAS, Section 190.008(2)(a), *Florida Statutes*, requires that, prior to October 1st of each year, the District Board, by passage of the Annual Appropriation Resolution, shall adopt a budget for the ensuing fiscal year and appropriate such sums of money as the Board deems necessary to defray all expenditures of the District during the ensuing fiscal year; and

WHEREAS, the District Manager has prepared a Proposed Budget, whereby the budget shall project the cash receipts and disbursements anticipated during a given time period, including reserves for contingencies for emergency or other unanticipated expenditures during the fiscal year.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE DEER RUN COMMUNITY DEVELOPMENT DISTRICT:

SECTION 1. BUDGET

- a. The Board of Supervisors has reviewed the District Manager's Proposed Budget, a copy of which is on file with the office of the District Manager and at the District's Records Office, and hereby approves certain amendments thereto, as shown in Section 2 below.
- b. The District Manager's Proposed Budget, attached hereto as **Exhibit "A,"** as amended by the Board, is hereby adopted in accordance with the provisions of Section 190.008(2)(a), *Florida Statutes*, and incorporated herein by reference; provided, however, that the comparative figures contained in the adopted budget may be subsequently revised as deemed necessary by the District Manager to reflect actual revenues and expenditures.
- c. The adopted budget, as amended, shall be maintained in the office of the District Manager and at the District's Records Office and identified as "The Budget for the Deer Run Community Development District for the Fiscal Year Ending September 30, 2018," as adopted by the Board of Supervisors on August 24, 2017.
- d. The final adopted budget shall be posted by the District Manager on the District's official website within thirty (30) days after adoption. The District Manager is directed to transmit the final adopted budget to the manager or administrator of Flager County and the City of Bunnell for posting on their websites.

SECTION 2. APPROPRIATIONS

There is hereby appropriated out of the revenues of the Deer Run Community Development District, for the fiscal year beginning October 1, 2017, and ending September 30, 2018, the sum of \$ _____ to be raised by the levy of assessments and otherwise, which sum is deemed by the Board of Supervisors to be necessary to defray all expenditures of the District during said budget year, to be divided and appropriated in the following fashion:

TOTAL GENERAL FUND	\$ _____
DEBT SERVICE FUND(S)	\$ _____
TOTAL ALL FUNDS	\$ _____

SECTION 3. BUDGET AMENDMENTS

Pursuant to Section 189.016, *Florida Statutes*, the District at any time within the fiscal year or within 60 days following the end of the fiscal year may amend its budgets for that fiscal year as follows:

- a. The Board may authorize an increase or decrease in line item appropriations within a fund by motion recorded in the minutes if the total appropriations of the fund do not increase.
- b. The District Manager or Treasurer may authorize an increase or decrease in line item appropriations within a fund if the total appropriations of the fund do not increase and if the aggregate change in the original appropriation item does not exceed \$10,000 or 10% of the original appropriation.
- c. By resolution, the Board may increase any appropriation item and/or fund to reflect receipt of any additional unbudgeted monies and make the corresponding change to appropriations or the unappropriated balance.
- d. Any other budget amendments shall be adopted by resolution and consistent with Florida law.

The District Manager or Treasurer must establish administrative procedures to ensure that any budget amendments are in compliance with this Section 3 and Section 189.016 of the *Florida Statutes*, among other applicable laws. Among other procedures, the District Manager or Treasurer must ensure that any amendments to budget(s) under subparagraphs c. and d. above are posted on the District's website within 5 days after adoption. The District's Secretary is directed to transmit such amendments to the manager or administrator of Flagler County and the City of Bunnell for posting on their websites.

SECTION 4. EFFECTIVE DATE. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED THIS 24TH DAY OF August, 2017.

ATTEST:

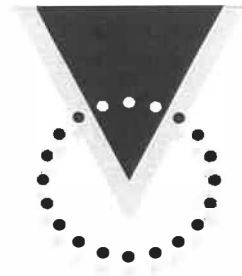
**DEER RUN COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

By: _____

Its: _____

Exhibit A



**Deer Run
Community Development District**

**Proposed Budget
FY 2018**



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DEER RUN

COMMUNITY DEVELOPMENT DISTRICT

General Fund Budget

DESCRIPTION	ADOPTED FY2017 BUDGET	ACTUAL THRU 7/31/17	PROJECTED NEXT 2 MONTH	TOTAL AS OF 9/30/17	PROPOSED FY2018 BUDGET
Revenues					
Assessments/Trustee Contributions	\$182,971	\$106,278	\$0	\$106,278	\$182,971
Golf Course Lake Maintenance Contribution	\$4,800	\$0	\$4,800	\$4,800	\$4,800
Carry Forward Surplus	\$0	\$68,579	\$0	\$68,579	\$1,791
TOTAL REVENUES	\$187,771	\$174,856	\$4,800	\$179,656	\$189,562
Expenditures					
<i>Administrative</i>					
Supervisor Fees	\$4,000	\$600	\$600	\$1,200	\$4,000
FICA Expense	\$306	\$31	\$31	\$61	\$306
Engineering	\$3,550	\$14,203	\$3,000	\$17,203	\$3,550
Dissemination	\$1,000	\$2,500	\$0	\$2,500	\$2,500
Attorney	\$20,000	\$6,077	\$12,396	\$18,473	\$20,000
Annual Audit	\$3,270	\$3,270	\$0	\$3,270	\$3,270
Trustee Fees	\$3,500	\$0	\$3,500	\$3,500	\$3,500
Arbitrage	\$600	\$600	\$0	\$600	\$600
Assessment Roll Services	\$2,500	\$2,500	\$0	\$2,500	\$2,500
Management Fees	\$30,000	\$25,000	\$5,000	\$30,000	\$30,000
Information Technology	\$1,000	\$833	\$167	\$1,000	\$1,000
Telephone	\$100	\$31	\$15	\$46	\$100
Postage	\$600	\$160	\$50	\$210	\$600
Insurance	\$7,950	\$7,401	\$0	\$7,401	\$8,141
Printing & Binding	\$800	\$225	\$90	\$315	\$800
Travel Per Diem	\$500	\$188	\$120	\$308	\$500
Legal Advertising	\$500	\$116	\$105	\$221	\$500
Other Current Charges	\$800	\$209	\$48	\$257	\$800
Office Supplies	\$250	\$41	\$10	\$51	\$150
Dues, Licenses & Subscriptions	\$175	\$175	\$0	\$175	\$175
TOTAL ADMINISTRATIVE	\$81,401	\$64,159	\$25,132	\$89,291	\$82,992
<i>Maintenance</i>					
Field Management	\$15,000	\$12,500	\$2,500	\$15,000	\$15,000
Electric	\$23,000	\$16,721	\$3,620	\$20,341	\$23,000
Water & Sewer	\$5,000	\$3,908	\$780	\$4,688	\$5,200
Landscape Maintenance	\$37,800	\$31,500	\$6,300	\$37,800	\$37,800
Landscape Contingency	\$6,000	\$3,684	\$2,316	\$6,000	\$6,000
Lake Maintenance	\$17,000	\$415	\$220	\$635	\$17,000
Irrigation Repairs	\$2,000	\$0	\$2,000	\$2,000	\$2,000
Contingency	\$570	\$0	\$0	\$0	\$570
TOTAL MAINTENANCE	\$106,370	\$68,729	\$17,736	\$86,465	\$106,570
TOTAL EXPENSES	\$187,771	\$132,888	\$42,868	\$175,756	\$189,562
EXCESS REVENUES/(EXPENDITURES)	\$0	\$41,969	(\$38,068)	\$3,901	\$0

Net Assessments \$182,971
Add: Discounts & Collections \$10,978
Gross Assessments \$193,949

Deer Run
Community Development District
Operations & Maintenance Assessments

						FY2018	FY2017
		No. of Units	ERU Per Unit	Total ERUs	% of ERU	Total Assessments	Per Unit Gross Assessments
Oak Branch	75'	129	1.00	129.00	20.81%	\$40,358.65	\$312.86
	60'	49	0.80	39.20	6.32%	\$12,264.02	\$250.29
	50'	297	0.67	198.00	31.94%	\$61,945.83	\$208.57
	Townhome	274	0.47	127.87	20.63%	\$40,005.22	\$146.00
	Commercial	5,000	0.00	2.50	0.40%	\$782.14	\$0.16
	Golf Course	3,382	0.00	1.69	0.27%	\$529.04	\$0.16
Deer Run	Townhome	250	0.47	116.67	18.82%	\$36,500.07	\$146.00
	Commercial	10,000	0.00	5.00	0.81%	\$1,564.29	\$0.16
				619.93	100.00%	193,949.26	

Deer Run

Community Development District

GENERAL FUND BUDGET

REVENUES:

Assessments

The District will levy a non-ad valorem special assessment on taxable property within the District to fund all general operating and maintenance expenditures for the Fiscal Year. It will also enter into a Deficit Funding Agreement with landowner to fund the District's general operating and maintenance expenses throughout the fiscal year.

Golf Course Lake Maintenance Contribution

The District's Lake Maintenance expense will be partially funded by contributions from the Golf Course.

EXPENDITURES:

Administrative:

Supervisor Fees

The Florida Statutes allows each supervisor to be paid per meeting, for the time devoted to District business and board meetings. The amount is based upon 5 Supervisors attending 4 meetings during the fiscal year.

FICA Expense

Represents the Employer's share of Social Security and Medicare taxes withheld from Board of Supervisor checks.

Engineering

The District's engineer, Dewberry Engineers, Inc., will be providing general engineering services to the District, e.g. attendance and preparation for monthly board meetings, review invoices, etc.

Dissemination

The District is required by the Security and Exchange Commission to comply with Rule 15c2-12(b) (5) which relates to additional reporting requirements for unrated bond issues. The District has contracted with Lerner Reporting Services.

Attorney

The District's legal counsel, Hopping, Green & Sams, will be providing general legal services to the District, e.g. attendance and preparation for monthly meetings, preparation and review of agreements, resolutions, etc.

Deer Run Community Development District

GENERAL FUND BUDGET

Annual Audit

The District is required by Florida Statutes to arrange for an independent audit of its financial records on an annual basis. The District is contracted with Berger, Toombs, Elam Gaines & Frank to provide this service.

Trustee Fees

The District's Series 2008 Capital Improvement Revenue Bonds are held with a Trustee at Regions Bank.

Arbitrage

The District will contract with an independent certified public accountant, to annually calculate the District's Arbitrage Rebate Liability once the Bonds are issued. The District has contracted with AMTEC Corporation to provide this service.

Assessment Roll Services

Represents cost associated with certifying, invoicing and collections of annual operations and maintenance and debt service assessments.

Management Fees

The District has contracted with Governmental Management Services - Central Florida, LLC to provide Management, Accounting and Recording Secretary Services for the District. The services include, but are not limited to, recording and transcription of board meetings, administrative services, budget preparation, all financials reporting, annual audits, etc.

Information Technology

The District incurs costs related to the District's accounting and information systems, District's website creation and maintenance, electronic compliance with Florida Statutes and other electronic data requirements.

Telephone

Telephone and fax machine.

Postage

Mailing of agenda packages, overnight deliveries, checks for vendors, and any other required correspondence, etc.

Insurance

Represents the District's general liability, public officials liability and property insurance coverage, which is provided by Florida Insurance Alliance (FIA). FIA specializes in providing insurance coverage to governmental agencies.

Deer Run

Community Development District

GENERAL FUND BUDGET

Printing & Binding

Printing and Binding agenda packages for board meetings, printing of computerized checks, stationary, envelopes etc.

Travel Per Diem

The Board of Supervisors can be reimbursed for travel expenditures related to the conducting of District business.

Legal Advertising

Advertising of monthly board meetings, public hearings, and any services that are required to be advertised for public bidding, i.e. audit services, engineering service, maintenance contracts and any other advertising that may be required.

Other Current Charges

Bank charges and any other miscellaneous expenses incurred during the fiscal year.

Office Supplies

The District incurs charges for supplies that need to be purchased during the fiscal year, including copier and printer toner cartridges, paper, file folders, binders, pens, paper clips, and other such office supplies.

Dues, Licenses & Subscriptions

The District is required to pay an annual fee to the Department of Community Affairs for \$175. This is the only expense under this category for the District.

Maintenance:

Field Management

The District is contracted with Governmental Management Services, Central Florida – LLC to provide onsite field management of contracts for District Services such as landscape maintenance. Services to include weekly site inspections, meetings with contractors, monitoring of utility accounts, attend Board meetings and receive and respond to property owner phone calls and emails.

Deer Run Community Development District

GENERAL FUND BUDGET

Electric

The District incurs cost for electric and street lighting. The District has the following accounts with Florida, Power & Light.

Description	Monthly	Annually
Premium Lighting	\$902	\$10,824
99 Grand Reserve Dr # Entrance	\$65	\$776
100 Grand Reserve Pkwy # Entrance	\$150	\$1,800
410 Grand Reserve Dr # B	\$150	\$1,800
Decorative Lighting # Oak Branch	\$650	\$7,800
TOTAL		\$23,000

Water & Sewer

The District incurs cost for water. The District has the following accounts with the City of Bunnell.

Description	Monthly	Annually
100 Grand Reserve Pkwy	\$433	\$5,200
TOTAL		\$5,200

Landscape Maintenance

The District will incur landscape maintenance expenses, which include mowing, edging, string-trimming, shrub pruning, weeding, fertilization, pest control and irrigation inspections during the fiscal year. Yellowstone Landscape is contracted to provide these services.

Description	Monthly	Annually
Landscape Maintenance	\$3,150	\$37,800
TOTAL		\$37,800

Landscape Contingency

To record the cost of landscape enhancements as well as any miscellaneous landscape items currently not budgeted or covered in landscape contract.

Irrigation Repairs

To record the cost of repairs to the irrigation system and preventative maintenance on the irrigation pump station.

Deer Run
Community Development District
GENERAL FUND BUDGET

Lake Maintenance

The monthly aquatic management service of 24 waterways for the District is provided by Applied Aquatic Management. Services include monthly inspections and treatment for the continued control of torpedo grass, cattails, spike rush and algae.

Description	Monthly	Annually
Aquatic Treatments	\$1,417	\$17,000
TOTAL		\$17,000

Contingency

To record the cost of any maintenance expenses not properly classified in any of the other accounts.

DEER RUN

COMMUNITY DEVELOPMENT DISTRICT

Debt Service Fund Budget

DESCRIPTION	ADOPTED FY2017 BUDGET	PROPOSED FY2018 BUDGET
Revenues		
Debt Assessments	\$695,303	\$695,303
Other Revenue Sources	\$2,716	\$3,185
TOTAL REVENUES	\$698,019	\$698,488
Expenditures		
Interest - 11/1	\$286,509	\$281,744
Principal - 5/1	\$125,000	\$135,000
Interest - 5/1	\$286,509	\$281,744
TOTAL EXPENDITURES	\$698,019	\$698,488
EXCESS REVENUES	\$0	\$0

Deer Run
Community Development District
Debt Service Assessments

Product Type	Units	Annual 2018 Per Unit Assessments	Annual 2018 Net Assessments
Oak Branch			
75'	129	\$1,057	\$136,338
60'	49	\$846	\$41,430
50'	297	\$705	\$209,263
Townhome	274	\$493	\$135,141
Commercial	5000	\$0.50	\$2,490
Golf Course	1	\$1,258	\$1,258
Deer Run			
Multi Family	250	\$658	\$164,405
Commercial	10000	\$0.50	\$4,979
Total			\$695,303

DEER RUN

COMMUNITY DEVELOPMENT DISTRICT

Settlement Monitoring Fund Budget

DESCRIPTION	ADOPTED FY2017 BUDGET	ACTUAL THRU 7/31/17	PROJECTED NEXT 2 MONTH	TOTAL AS OF 9/30/17	PROPOSED FY2018 BUDGET
Revenues					
Carry Forward Surplus	\$0	\$24,550	\$0	\$24,550	\$23,800
TOTAL REVENUES	\$0	\$24,550	\$0	\$24,550	\$23,800
Expenditures					
Permit Monitoring	\$0	\$750	\$0	\$750	\$0
TOTAL EXPENDITURES	\$0	\$750	\$0	\$750	\$0
EXCESS REVENUES/(EXPENDITURES)	\$0	\$23,800	\$0	\$23,800	\$23,800



B

RESOLUTION 2017-08

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE DEER RUN COMMUNITY DEVELOPMENT DISTRICT IMPOSING SPECIAL ASSESSMENTS AND CERTIFYING AN ASSESSMENT ROLL; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Deer Run Community Development District (the “District”) is a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes* for the purpose of providing, operating and maintaining infrastructure improvements, facilities and services to the lands within the District; and

WHEREAS, the District is located in Flagler County, Florida (the “County”); and

WHEREAS, the District has constructed or acquired various infrastructure improvements and provides certain services in accordance with the District’s adopted improvement plan and Chapter 190, *Florida Statutes*; and

WHEREAS, the Board of Supervisors (the “Board”), of the District hereby determines to undertake various operations and maintenance activities described in the District’s budget for Fiscal Year 2017-2018 (“Operations and Maintenance Budget”), attached hereto as Exhibit “A” and incorporated by reference herein; and

WHEREAS, the District must obtain sufficient funds to provide for the operation and maintenance of the services and facilities provided by the District as described in the District’s budget for Fiscal Year 2017-2018; and

WHEREAS, the provision of such services, facilities, and operations is a benefit to lands within the district; and

WHEREAS, Chapters 190 and 197, *Florida Statutes*, provides that the District may impose special assessments on benefitted lands within the District; and

WHEREAS, Chapter 197, *Florida Statutes*, provides a mechanism pursuant to which such special assessments may be placed on the tax roll and collected by the local tax collector (“Uniform Method”); and

WHEREAS, on February 13, 2014, the District entered into a Settlement Agreement and a Tri-party Agreement (the “Agreements”), regarding the collection of the Series 2008 Debt Special Assessments and O&M Special Assessments (the “Special Assessments”).

WHEREAS, pursuant to the Agreements, there will be no enforcement and collection of the Special Assessments on property owned by Deer Run CDD Holdings, Inc., (“Deer Run Parcels”), until the expiration or termination of the Agreements; and

WHEREAS, the District has previously evidenced its intention to utilize this Uniform Method; and

WHEREAS, the District has previously levied an assessment for debt service, which the District desires to collect on the tax roll for platted lots owned by end users pursuant to the Uniform Method and which is also indicated on Exhibit “A”; and

WHEREAS, the District has approved an Agreement with the Property Appraiser and Tax Collector of the County to provide for the collection of the special assessments under the Uniform Method; and

WHEREAS, it is in the best interests of the District to proceed with the imposition of the special assessments for operations and maintenance (“O&M Special Assessments”), on platted lots owned by end users in the amount contained in the budget; and

WHEREAS, the District desires to collect O&M Funding on the “Deer Run Parcels”, as defined in the Agreements, reflecting their portion of the District’s operations and maintenance budget; and

WHEREAS, it is in the best interests of the District to adopt the Assessment Roll of the Deer Run Community Development District (the “Assessment Roll”), attached to this Resolution as Exhibit “B” and incorporated as a material part of this Resolution by this reference, and to certify the Assessment Roll to the County Tax Collector pursuant to the Uniform Method; and

WHEREAS, it is in the best interests of the District to permit the District Manager to amend the Assessment Roll adopted herein, including that portion certified to the County Tax Collector by this Resolution, as the Property Appraiser updates the property roll for the County, for such time as authorized by Florida law.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE DEER RUN COMMUNITY DEVELOPMENT DISTRICT:

SECTION 1. BENEFIT. The provision of the services, facilities, and operations as described in Exhibit “A” confer a special and peculiar benefit to the lands within the District, which benefits exceed or equal the costs of the assessments. The allocation of the costs to the specially benefitted lands are shown in Exhibits “A” and “B”, and are fairly and reasonably apportioned among the benefitted lands.

SECTION 2. ASSESSMENT IMPOSITION. A special assessment for operation and maintenance as provided for in Chapters 190 and 197, *Florida Statutes*, is hereby imposed and levied on benefitted lands within the District in accordance with Exhibits “A” and “B.” The lien of the special assessments for operations and maintenance imposed and levied by this Resolution shall be effective upon passage of this Resolution.

SECTION 3. COLLECTION AND ENFORCEMENT; PENALTIES; INTEREST. The collection of the previously levied debt service assessments and O&M Special Assessments shall be at the same time and in the same manner as County taxes in accordance with the Uniform Method, as set forth in Exhibits “A” and “B.” The previously levied debt service assessments on the Deer Run Parcels shall continue to be held in abeyance. The O&M Funding on all Deer Run Parcels will be collected as set forth in the Agreements and in Exhibits “A” and “B”.

SECTION 4. ASSESSMENT ROLL. The District's Assessment Roll, attached to this Resolution as Exhibit “B,” is hereby approved and certified to the County Tax Collector and shall be collected by the County Tax Collector in the same manner and time as County taxes. The proceeds therefrom shall be paid to the Deer Run Community Development District.

SECTION 5. ASSESSMENT ROLL AMENDMENT. The District Manager shall keep apprised of all updates made to the County property roll by the Property Appraiser after the date of this Resolution, and shall amend the District's Assessment Roll in accordance with any such updates, for such time as authorized by Florida law, to the County property roll. After any amendment of the Assessment Roll, the District Manager shall file the updates to the tax roll in the District records.

SECTION 6. SEVERABILITY. The invalidity or unenforceability of any one or more provisions of this Resolution shall not affect the validity or enforceability of the remaining portions of this Resolution, or any part thereof.

SECTION 7. EFFECTIVE DATE. This Resolution shall take effect upon the passage and adoption of this Resolution by the Board of Supervisors of the Deer Run Community Development District.

PASSED AND ADOPTED this 24th day of August, 2017.

ATTEST:

**DEER RUN COMMUNITY
DEVELOPMENT DISTRICT**

Secretary / Assistant Secretary

By: _____

Its: _____

SECTION V

**FISCAL YEAR 2017/2018 BUDGET DEFICIT FUNDING AGREEMENT
BETWEEN DEER RUN COMMUNITY DEVELOPMENT DISTRICT
AND D.R. HORTON, INC. - JACKSONVILLE**

THIS AGREEMENT (the “Agreement”) is made and entered into the 1st day of October, 2017, by and between:

DEER RUN COMMUNITY DEVELOPMENT DISTRICT, a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*, and located in the City of Bunnell, Florida whose mailing address is 135 W. Central Boulevard, Suite 320, Orlando, Florida 32801 (the “District”); and

D.R. HORTON, INC. - JACKSONVILLE, a Delaware corporation and a landowner in the District whose address is 4220 Race Track Road, Saint Johns, Florida 32259 (the “Landowner”).

Recitals

WHEREAS, the District was established pursuant to Chapter 190, *Florida Statutes*, for the purpose of planning, financing, constructing, operating and/or maintaining certain infrastructure improvements including but not limited on-site and off-site roadways improvements, water and sewer utility improvements, stormwater management system, open space and right-of-way improvements, recreation amenities, public park and other infrastructure; and

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

WHEREAS, Landowner presently owns and is developing the real property described in **Exhibit A**, attached hereto and incorporated herein by reference, which is located within the District and will benefit from the continued operations of the District (the “Property”); and

WHEREAS, the District has adopted its operating budget for the Fiscal Year 2017/2018 (the “2018 O&M Budget”), which budget will commence on October 1, 2017, and conclude on September 30, 2018, a copy of which is attached hereto as **Exhibit B** and incorporated herein by reference; and

WHEREAS, following the adoption of the 2018 O&M Budget, the District has the option of levying non-ad valorem assessments on all land within its boundaries that will benefit from the activities, operations and services set forth in such budget (hereinafter referred to as the “O&M Assessment(s)”), or utilizing such other revenue sources as may be available to it; and

WHEREAS, due to the nature of the ownership of the Property, the District is not able to predict with absolute certainty the amount of monies necessary to fund the District’s activities, operations and services set forth in the 2018 O&M Budget; and

WHEREAS, the Parties have entered into a number of agreements, including a Tri-Party Agreement and a Settlement Agreement, requiring that no O&M Assessments shall be imposed on the Property so long as the SPE is not in default of its obligations pursuant to this Agreement; and

WHEREAS, in contemplation of the foregoing, and in lieu of levying O&M Assessments on the Property to fund the 2018 O&M Budget, the Landowner desires to provide the monies necessary to fund the actual expenditures for the Fiscal Year 2017/2018 (hereinafter referred to as the "O&M Budget Payment"), not otherwise funded by O&M Assessments levied upon other benefited lands located within the District.

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

SECTION 1. RECITALS. The recitals so stated are true and correct and by this reference are incorporated into and form a material part of this Agreement.

SECTION 2. PAYMENT OF DISTRICT'S O&M BUDGET.

- i. Payment of O&M Budget Expenses. Upon the District Manager's written request, the Landowner agrees to make available to the District the monies necessary to fund all expenditures of the 2017/2018 O&M Budget not otherwise funded through O&M Assessments levied upon other benefited lands located within the District, on a continuing basis, within fifteen (15) days of written request by the District. Funds provided hereunder shall be placed in the District's general checking account. In no way shall the foregoing in any way affect the District's ability to levy special assessments upon the lands within the District, including the Property, in accordance with Florida law, to provide funds for any unfunded expenditures whether such expenditures are the result of an amendment to the District's 2018 O&M Budget or otherwise.
- ii. Consent to Funding of 2017 O&M Budget. The Landowner acknowledges and agrees that the O&M Budget Payment represents the funding of operations and maintenance expenditures that would otherwise be appropriately funded through O&M Assessments equitably allocated to the Property within the District in accordance with the District's Assessment Methodology. Landowner agrees to pay, or caused to be paid, the O&M Budget Payment regardless of whether Landowner owns the Property at the time of such payment subject to the terms set forth in Section 10 herein. Landowner agrees that it will not contest the legality or validity of such imposition, collection or enforcement to the extent such imposition is made in accordance with the terms of this Agreement.

SECTION 3. CONTINUING LIEN. The District shall have the right to file a continuing lien upon the Property described in **Exhibit A** for all payments due and owing under the terms of this Agreement and for interest thereon, and for reasonable attorneys' fees, paralegals' fees,

expenses and court costs incurred by the District incident to the collection of funds under this Agreement or for enforcement of this lien, and all sums advanced and paid by the District for taxes and payment on account of superior interests, liens and encumbrances in order to preserve and protect the District's lien. The lien shall be effective as of the date and time of the recording of a "Notice of Lien for FY 2017/2018 O&M Budget" in the public records of Flagler County, Florida, stating among other things, the description of the real property and the amount due as of the recording of the Notice, and the existence of this Agreement. The District Manager, in its sole discretion, is hereby authorized by the District to file the Notice of Lien for FY 2017/2018 O&M Budget on behalf of the District, without the need of further Board action authorizing or directing such filing. At the District Manager's direction, the District may also bring an action at law against the record title holder to the Property to pay the amount due under this Agreement, or may foreclose the lien against the Property in any manner authorized by law. The District may partially release any filed lien for portions of the Property subject to a plat if and when the Landowner has demonstrated, in the District's sole discretion, such release will not materially impair the ability of the District to enforce the collection of funds hereunder. In the event the Landowner sells any of the Property described in **Exhibit A** after the execution of this Agreement, the Landowner's rights and obligations under this Agreement shall remain the same, provided however that the District shall only have the right to file a lien upon the remaining Property owned by the Landowner.

SECTION 4. ALTERNATIVE COLLECTION METHODS.

- i. In the alternative or in addition to the collection method set forth in Section 3 above, the District may enforce the collection of the O&M Budget Payment(s) by action against the SPE in the appropriate judicial forum in and for Flagler County, Florida. The enforcement of the collection of funds in this manner shall be in the sole discretion of the District Manager on behalf of the District. In the event that either party is required to enforce this Agreement by court proceedings or otherwise, then the parties agree that the prevailing party shall be entitled to recover from the other all costs incurred, including reasonable attorneys' fees and costs for trial, alternative dispute resolution, or appellate proceedings.
- ii. The District hereby finds that the activities, operations and services funded by the O&M Budget Payment(s) provide a special and peculiar benefit to the Property, which benefit is initially allocated on an equal developable acreage basis. The SPE agrees that the activities, operations and services that will be funded by the O&M Budget Payment(s) provide a special and peculiar benefit to the Property in excess of the costs thereof on an equal developable acreage basis. Therefore, in the alternative or in addition to the other methods of collection set forth in this Agreement, the District, in its sole discretion, may choose to certify amounts due hereunder as a non-ad valorem assessment on all or any part of the Property for collection, either through the Uniform Method of Collection set forth in Chapter 197 or under any method of direct bill and collection authorized by Florida law. Such assessment, if imposed, may be certified on the next available tax roll of the Flagler County property appraiser.

SECTION 5. NOTICE. All notices, payments and other communications hereunder (“Notices”) shall be in writing and shall be delivered, mailed by First Class Mail, postage prepaid, or telecopied to the parties, as follows:

A. If to District: Deer Run Community Development District
135 W. Central Boulevard, Suite 320
Orlando, Florida 32801
Attn: District Manager

With a copy to: Hopping Green & Sams, P.A.
119 South Monroe Street, Suite 300
Tallahassee, Florida 32301
Attn: District Counsel

B. If to Landowner: D.R. Horton, Inc. - Jacksonville
4220 Race Track Road
Saint Johns, Florida 32259
Attn: Robert Porter

SECTION 6. AMENDMENT. This instrument shall constitute the final and complete expression of the agreement between the parties relating to the subject matter of this Agreement. Amendments to and waivers of the provisions contained in this Agreement may be made only by an instrument in writing which is executed by both of the parties hereto.

SECTION 7. AUTHORITY. The execution of this Agreement has been duly authorized by the appropriate body or official of all parties hereto, each party has complied with all the requirements of law, and each party has full power and authority to comply with the terms and provisions of this instrument.

SECTION 8. ASSIGNMENT. This Agreement may not be assigned, in whole or in part, by either party except upon the written consent of the other, which consent shall not be unreasonably withheld.

SECTION 9. DEFAULT. A default by either party under this Agreement shall entitle the other to all remedies available at law or in equity, which shall include, but not be limited to, the right of damages, injunctive relief and specific performance and specifically including the ability of the District to enforce any and all payment obligations under this Agreement in the matter described in Sections 3 and 4 above.

SECTION 10. THIRD PARTY RIGHTS; TRANSFER OF PROPERTY. This Agreement is solely for the benefit of the formal parties herein and no right or cause of action shall accrue upon or by reason hereof, to or for the benefit of any third party not a formal party hereto. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person or corporation other than the parties hereto any right, remedy or claim under or by reason of this Agreement or any provisions or conditions hereof; and all of the provisions, representations, covenants and conditions herein contained shall inure to the sole benefit of and

shall be binding upon the parties hereto and their respective representatives, successors and assigns. In the event the Landowner sells or otherwise disposes of its business or of all or substantially all of its assets relating to improvements, work product, or lands within the District, including the Property, the Landowner shall continue to be bound by the terms of this Agreement and additionally shall expressly require that the purchaser agree to be bound by the terms of this Agreement. The Landowner shall give ninety (90) days prior written notice to the District under this Agreement of any such sale or disposition.

SECTION 11. APPLICABLE LAW AND VENUE. This Agreement and the provisions contained herein shall be construed, interpreted and controlled according to the laws of the State of Florida. The parties agree that venue shall be in Flagler County, Florida.

SECTION 12. NEGOTIATION AT ARM'S LENGTH. This Agreement has been negotiated fully between the parties as an arm's length transaction. The parties participated fully in the preparation of this Agreement with the assistance of their respective counsel. In the case of a dispute concerning the interpretation of any provision of this Agreement, the parties are each deemed to have drafted, chosen and selected the language, and the doubtful language will not be interpreted or construed against any party.

SECTION 13. EFFECTIVE DATE. The Agreement shall take effect as of October 1, 2017. The enforcement provisions of this Agreement shall survive its termination, until all payments due pursuant to this Agreement are paid in full.

[Signature page follows]

IN WITNESS WHEREOF, the parties execute this Agreement on the day and year first written above.

Attest:

**DEER RUN COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

Chairperson, Board of Supervisors

Witness:

D.R. HORTON, INC. – JACKSONVILLE, a Delaware corporation

Witness

Name: _____
Title: _____

- EXHIBIT A:** Description of the Property
- EXHIBIT B:** Fiscal Year 2018 O&M Budget

EXHIBIT A
Description of the Property

EXHIBIT B
Fiscal Year 2018 O&M Budget

SECTION VI

Prepared By and Return To

Roy Van Wyk, Esq.
Hopping Green & Sams, P.A.
119 South Monroe Street, Suite 300
Tallahassee, Florida 32301

**CONSTRUCTION AND
ACCESS EASEMENT AGREEMENT**

THIS CONSTRUCTION AND ACCESS EASEMENT AGREEMENT (“**Agreement**”) is made and entered into this 15 day of April, 2017, by and between **Deer Run Community Development District**, a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*, whose address is c/o Governmental Management Services, Central Florida, Inc., 135 W. Central Boulevard, Suite 320, Orlando, Florida 32801 (“**Grantor**” or the “**District**”) in favor of **City of Bunnell**, a Florida municipal corporation, with a mailing address of 201 West Moody Drive, Bunnell, Florida 32110, (“**Grantee**”) (Grantor and Grantee are sometimes together referred to herein as the “**Parties**”, and separately as the “**Party**”).

WITNESSETH:

WHEREAS, Grantor is the owner in fee simple of certain real property located in the City of Bunnell, Flagler County, Florida, being more particularly described on **Exhibit “A”** attached hereto and by this reference incorporated herein (the “**Easement Area**”); and

WHEREAS, Grantee intends to complete within the Easement Area, the design, installation and construction of re-use water lines and related utilities, (collectively, the “**Improvements**”); and

WHEREAS, the Parties are in the process of transferring fee simple ownership of the real property upon which the Easement Area is located; and

WHEREAS, the Parties recognize that Grantee needs to have immediate access to the Easement Area for the purposes of designing and installing and constructing the Improvements; and

WHEREAS, Grantor desires to grant to Grantee a temporary, non-exclusive construction and access easement on, upon, over, under, across, and through the Easement Area for the sole purpose of constructing the Improvements, until such time as conveyance of the underlying real property and right of way is transferred from Grantee to Grantor

NOW, THEREFORE, for and in consideration of Ten and No/100 Dollars (\$10.00) in hand paid by the Grantee to the Grantor, the mutual covenants and agreements herein set forth and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby expressly acknowledged by the Parties, the Parties do hereby agree as follows:

1. **Recitals.** The foregoing recitals are true and correct and are incorporated herein by this reference.

2. **Construction Easement.** Grantor does hereby grant, bargain, sell and convey to Grantee a temporary, non-exclusive easement on, upon, over, under, across and through the Easement Area for access, ingress, egress and to allow Grantee to complete the design, construction and installation of the Improvements (collectively, the "**Easement**").

3. **Term of Easement.** Upon the earlier of (i) the conveyance of the fee simple ownership of the real property upon which the Easement Area is located from Grantee to Grantor, or (ii) recordation of a release of the Easement in the Public Records of Flagler County, Florida, then this Agreement shall automatically terminate and be extinguished and all rights in the Easement granted by this Agreement shall immediately revert to the Grantor, its successors, transferees and assigns, without further action of the Grantor or Grantee being required with respect to such Easement Area. Upon termination of this Agreement, as provided herein, and upon request by Grantor, Grantee shall promptly execute and deliver to Grantor a document in recordable form confirming termination of this Agreement and the Easement granted herein. Should the Grantee acquire the Easement Area from the Grantor prior to the occurrence of events (i) and (ii) enumerated herein, this Agreement shall automatically terminate and be extinguished and all rights in the Easement granted by this Agreement shall immediately vest in the Grantee, its successors, transferees and assigns, without further action of the Grantor or Grantee being required with respect to such Easement Area.

4. **Insurance and Indemnity.** Grantee and/or any contractors performing work for Grantee on the Easement Area, shall at all times maintain general public liability insurance to afford protection against any and all claims for personal injury, death or property damage arising directly or indirectly out of the exercise of the rights and privileges granted. Said insurance maintained by any contractors performing work for Grantee on the Easement Area shall be issued by solvent, reputable insurance companies authorized to do business in the State of Florida, naming Grantee and Grantor as insured, as their interests may appear, in a combined-single limit of not less than One Million and 00/100 Dollars (\$1,000,000.00) with respect to bodily injury or death and property damage. Said insurance shall also be primary, and not contributory, as to any insurance coverage maintained by Grantor. To the extent permitted by law and without waiving any of the protections afforded by Section 768.28, *Florida Statutes*, Grantee hereby agrees to indemnify and hold harmless Grantor from and against any and all liability arising out of Grantee's construction activities within the Easement Area.

5. **Obligations of Grantor and Grantee.** The Parties acknowledge and agree that any rights granted hereunder shall be exercised by the Parties only in accordance and compliance with any and all applicable laws, ordinances, rules, regulations, permits and approvals, and any future modifications or amendments thereto. The Parties covenant and agree that neither party shall discharge into or within the Easement Area, any hazardous or toxic materials or substances,

any pollutants, or any other substances or materials prohibited or regulated under any federal, state or local law, ordinance, rule, regulations or permit, except in accordance with such laws, ordinances, rules, regulations and permits. To the extent permitted by law and without waiving any of the protections afforded by Section 768.28, *Florida Statutes*, each Party hereby agrees to indemnify and hold harmless the other Party from and against any and all liability arising out of such Party's breach of any provision of this Agreement, including, without limitation, the matters set forth in this paragraph.

6. **Beneficiaries of Easement Rights.** The Easement set forth in this Agreement shall be for the sole benefit and use of Grantee, its successors and assigns, and Grantee's agents, employees, consultants, representatives, contractors and providers of emergency services and utility services.

7. **Amendments and Waivers.** This Agreement may not be terminated or amended, modified, altered, or changed in any respect whatsoever, except by a further agreement in writing duly executed by the Parties and recorded in the Public Records of Flagler County, Florida. No delay or omission of any Party in the exercise of any right accruing upon any default of any Party shall impair such right or be construed to be a waiver thereof, and every such right may be exercised at any time during the continuance of such default. A waiver by any Party of a breach of, or a default in, any of the terms and conditions of this Agreement by any other Party shall not be construed to be a waiver of any subsequent breach of or default in the same or any other provision of this Agreement. No breach of the provisions of this Agreement shall entitle any Party to cancel, rescind or otherwise terminate this Agreement, but such limitation shall not affect, in any manner, any other rights or remedies which any Party may have by reason of any breach of the provisions of this Agreement.

8. **Notices.** Any notices which may be permitted or required hereunder shall be in writing and shall be deemed to have been duly given (i) three (3) days after depositing with the United States Postal Service, postage prepaid, (ii) one day after depositing with a nationally recognized overnight courier service, or (iii) on the day of hand delivery (provided such delivery occurs prior to 5:00 pm, E.S.T. or E.D.T., as applicable), to the address listed above or to such other address as either Party may from time to time designate by written notice in accordance with this paragraph.

9. **Use of Easement Area.** It is acknowledged and agreed that the Easement granted under this Agreement is not an exclusive easement and that Grantor shall have the right to use and enjoy the Easement Area in any manner not inconsistent with the easement rights created herein, and grant others the right to do so.

10. **Liens.** Grantee shall not permit (and shall promptly satisfy or bond) any construction, mechanic's lien or encumbrance against the Easement Area in connection with the exercise of rights hereunder.

11. **Effective Date.** The Effective Date of the Agreement shall be the last day that this Agreement is signed by either Party

12. **Miscellaneous.** This Agreement contains the entire understanding of the Parties with respect to the matters set forth herein and no other agreement, oral or written, not set forth herein, nor any course of dealings of the Parties, shall be deemed to alter or affect the terms and conditions set forth herein. If any provision of this Agreement, or portion thereof, or the application thereof to any person or circumstances, shall, to the extent be held invalid, inoperative or unenforceable, the remainder of this Agreement, or the application of such provision or portion thereof to any other persons or circumstances, shall not be affected thereby; it shall not be deemed that any such invalid provision affects the consideration for this Agreement; and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law. This Agreement shall be construed in accordance with the laws of the State of Florida. Venue for any proceeding brought hereunder shall be Flagler County, Florida. In the event of any dispute hereunder or of any action to interpret or enforce this Agreement, any provision hereof or any matter arising herefrom, the predominantly prevailing party shall be entitled to recover its reasonable attorneys' fees, costs and expenses, whether suit be brought or not, and whether in settlement, in any declaratory action, at trial or on appeal. The section headings in this Agreement are for convenience only, shall in no way define or limit the scope or content of this Agreement, and shall not be considered in any construction or interpretation of this Agreement or any part hereof. Where the sense of this Agreement requires, any reference to a term in the singular shall be deemed to include the plural of said term, and any reference to a term in the plural shall be deemed to include the singular of said term. Nothing in this Agreement shall be construed to make the Parties hereto partners or joint venturers or render either of said parties liable for the debts or obligations of the other. This Agreement may be executed in counterparts, each of which shall constitute an original, but all taken together shall constitute one and the same Agreement. Time is of the essence of this Agreement. This Agreement shall be binding upon and inure to the benefit of Grantor and Grantee and their respective successors and assigns. The rights, privileges and Easement granted and conveyed hereunder shall be a burden upon the Easement Area and shall exist for the benefit of and run with title to the Easement Area.

[SIGNATURES CONTAINED ON FOLLOWING PAGES]

Signed, sealed and delivered
in the presence of:

Print Name: Mark Dearing

Print Name: Anthony Sharp

GRANTOR:

**DEER RUN COMMUNITY
DEVELOPMENT**

DISTRICT, a local unit of special-purpose
government established pursuant to Chapter
190, *Florida Statutes*

By: RS Porter

Name: ROBERT S PORTER

Title: CHAIRMAN

**STATE OF FLORIDA
COUNTY OF St. Johns**

The foregoing instrument was acknowledged before me this 16th day of August, 2017, by Robert S. Porter, as Chairman of **DEER RUN COMMUNITY DEVELOPMENT DISTRICT**, a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*. He is personally known to me or has produced as identification.



MARK C DEARING
NOTARY PUBLIC
STATE OF FLORIDA
Comm# FF081806
Expires 2/11/2018

[Signature]
(Signature of Notary Public)

(Typed name of Notary Public)

Notary Public, State of Florida

Commission No.:

My Commission Expires: _____

GRANTEE:

CITY OF BUNNELL, a Florida Municipal Corporation

Signed, sealed and delivered
in the presence of:

Print Name:

By: _____
Name: _____
Title: _____

Print Name:

**STATE OF FLORIDA
COUNTY OF FLAGLER)**

The foregoing instrument was acknowledged before me this _____ day of _____, 2017, by _____ as _____ of **CITY OF BUNNELL**, a Florida Municipal Corporation. He/She is personally known to me or has produced _____ as identification.

(Signature of Notary Public)

(Typed name of Notary Public)
Notary Public, State of Florida
Commission No. _____
My Commission Expires: _____

Exhibit A

The Platted ROW as shown in the Grand Reserve and Golf Club, RPUD, Unit 1 Plat Book 36 Pages 100 through 104 as recorded in the Public Records of Flagler County and together with the ROWs as shown on the Deer Run R-2 Plat Book 37 Pages 80 through 93 as recorded in the Public Records of Flagler County

SECTION VII

A

Deer Run Community Development District

135 West Central Boulevard – Suite 320 - Orlando - Florida - 32801

May 30, 2017

Via Electronic and U.S. Mail:

jlac@leg.state.fl.us

The Honorable Debbie Mayfield, Chair
The Florida Legislature
Joint Legislative Auditing Committee
111 West Madison Street, Room 876
Claude Pepper Building
Tallahassee, Florida 32399-1400

RE: Deer Run Community Development District ("District")
(Flagler County, Florida)

Dear Chairman Mayfield:


The following is an update to the District's response dated March 22, 2016 to a previous request for information related to certain findings in the District's Annual Audit Report for Fiscal Year 2015.

Please be advised the property subject to delinquent debt service assessments securing the repayment of the District's Special Assessment Bonds, Series 2008 ("Series 2008 Bonds") has been sold to a national builder. The national builder is in the process of negotiating with the holders of the Series 2008 Bonds to resolve all matters related to finding 2015-01 and 2015-02. The District is hopeful that the process will be finalized prior to the end of this fiscal year therefore the District would issue their Fiscal Year 2017 Annual Audit Report having all findings 2015-01 and 2015-02 being corrected.

The District's operating revenues continue to exceed its operating expenses and the District does not require any financial assistance from the state.

If the District or my office can provide any additional information, please feel free to contact me. Thank you.

Sincerely,



Jason Showe
District Manager

CC: Board of Supervisors for the Deer Run Community Development
District

JOE NEGRON
President of the Senate



Senator Dennis Baxley
Senator Audrey Gibson
Senator Kathleen Passidomo
Senator Perry E. Thurston, Jr.

THE FLORIDA LEGISLATURE
JOINT LEGISLATIVE AUDITING COMMITTEE

Senator Debbie Mayfield, Chair
Representative Daniel D. Raulerson, Vice Chair

RICHARD CORCORAN
Speaker of the House



Representative Tracie Davis
Representative Randy Fine
Representative Joe Gruters
Representative Roy Hardemon
Representative Cyndi Stevenson

March 20, 2017

Roy Van Wyk, Registered Agent
Deer Run Community Development District
Hopping, Green & Sams, P.A.
119 South Monroe Street, Suite 300
Tallahassee, FL 32301

Dear Mr. Van Wyk:

Section 218.39(8), *Florida Statutes*, requires the Auditor General to notify the Joint Legislative Auditing Committee (Committee) when a special district has failed to correct an audit finding that has been reported in three successive audit reports. The Committee may then require the special district to provide a written explanation of the status of corrective action that has been taken. If the explanation is either not provided or determined to be not sufficient, the Committee may require the chair of the governing body of the special district to appear before the Committee.

On February 23, 2017, the Committee adopted a motion to direct the Deer Run Community Development District (District) to provide a written statement to the Committee explaining why full corrective action has not been taken or, if the governing body intends to take full corrective action, describing the corrective action to be taken and when it will occur, for audit findings that were reported in the FY 2014-15 fiscal year audit report and also in the two preceding audit reports. See enclosure for the audit findings that require a response.

You may access this audit report from the Auditor General's website (www.myflorida.com/audgen) under the heading 'Reports Filed with the Auditor General.' Hover over 'Filed Reports,' select 'Special Districts,' and then select 'Deer Run Community Development District' and the report for the 'FY 2014-15 Fiscal Year.'

Kathryn H. DuBose, Coordinator
111 West Madison Street, Room 876, Claude Pepper Building, Tallahassee, Florida 32399-1400
Telephone (850) 487-4110 Fax (850) 922-5667
jlac@leg.state.fl.us

The following guidance is provided to assist you in your response:

- If any of the findings have been corrected and were not included in the audit report for the FY 2015-16 fiscal year, please indicate such in the required statement.
- If any of the findings have not been corrected and relate to areas that may never be fully resolved due to limited staff and resources of a small entity, please explain such in the written statement and briefly describe any procedures that may have been implemented to help address the issue. One example is a separation of duties finding. While it is understood and acknowledged that there are many small governmental entities in this state with limited resources, there are always compensating controls that can be implemented to help mitigate some of the inherent risk that exists when one individual at such an entity has access to both physical assets and the related accounting records, or to all phases of a transaction. Another example is a finding related to the auditors assisting in the preparation of the District's financial statements and related note disclosures.
- If any of the finding(s) have not been corrected and the previous bullet is not applicable, please explain the corrective action(s) being taken to resolve the audit finding(s). While we understand that the audit report referenced in this letter contained a written response to the findings included in the audit report, we are requesting an updated status of the corrective action(s) being taken. Please do not provide just a copy of the written response from your audit report, unless it includes details and was provided to the auditor within the past month.

Please provide the written statement by June 1, 2017. You may address it to The Honorable Debbie Mayfield, Chair, Joint Legislative Auditing Committee, and send it to the Committee's office using one of the following methods:

E-mail: jlac@leg.state.fl.us

Fax: 850-922-5667

Mail: 111 W. Madison St., Rm. 876; Tallahassee, FL 32399-1400

Please note that your response will be posted on the Committee's website.

Thank you for your cooperation.

Best regards,



Debbie Mayfield
Chair



Daniel Raulerson
Vice Chair

Enclosure

Deer Run Community Development District

CPA Firm Audit	
Fiscal Year Audit Report	Finding Number/Finding Description/PDF Page Number(s)
FY 2014-15	2015-01 - Debt Administration: The Debt Service reserve requirement for the Series 2008 bonds was not met at fiscal year-end. (See PDF Page 35; also see Revised Management Letter, PDF Page 2)
	2015-02 - Financial Condition: The District's financial condition continues to deteriorate. As of fiscal year-end, the District reported a fund balance deficit for which sufficient resources were not available to cover the deficit in the debt service fund. The District has not had sufficient funds to make a scheduled debt service payment since November 2011, and the Series 2008 Bonds remain in default. Also, the 2008 Construction Project was halted, and the future of the project remains uncertain. (See PDF Page 35; also see Revised Management Letter, PDF Page 2)

SECTION VIII

*This item will be provided under
separate cover*



B

*This item will be provided under
separate cover*

RESOLUTION 2017-09

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE DEERRUN COMMUNITY DEVELOPMENT DISTRICT RESCINDING RESOLUTION 2017-05 IN ITS ENTIRITY; DECLARING SPECIAL ASSESSMENTS TO SECURE ITS ANTICIPATED SPECIAL ASSESSMENT REFUNDING AND IMPROVEMENT BONDS, SERIES 2017; INDICATING THE LOCATION, NATURE AND ESTIMATED COST OF THOSE IMPROVEMENTS WHOSE COST IS TO BE DEFRAID BY THE SPECIAL ASSESSMENTS; PROVIDING THE PORTION OF THE ESTIMATED COST OF THE IMPROVEMENTS TO BE DEFRAID BY THE SPECIAL ASSESSMENTS; PROVIDING THE MANNER IN WHICH SUCH SPECIAL ASSESSMENTS SHALL BE MADE; PROVIDING WHEN SUCH SPECIAL ASSESSMENTS SHALL BE PAID; DESIGNATING LANDS UPON WHICH THE SPECIAL ASSESSMENTS SHALL BE LEVIED; PROVIDING FOR AN ASSESSMENT PLAT; ADOPTING A PRELIMINARY ASSESSMENT ROLL; PROVIDING FOR PUBLICATION OF THIS RESOLUTION.

WHEREAS, the Deer Run Community Development District (“District”) is a local unit of special-purpose government located in the City of Bunnell, Flagler County, Florida, and established pursuant to the Uniform Community Development District Act of 1980, as codified in Chapter 190, *Florida Statutes* (“Uniform Act”), by the City of Bunnell Board of County Commissioners; and

WHEREAS, the Act authorizes the District to issue bonds for the purpose, among others, of planning, financing, acquiring, constructing, installing, operating, and/or maintaining certain infrastructure, including roadway improvements, stormwater management systems, landscaping, recreation and parks facilities, water and sewer systems and other infrastructure within or without the boundaries of the District; and

WHEREAS, the District previously issued its Series 2008 Special Assessment Bonds, Series 2008 in the par amount of \$8,165,000 (the “Series 2008 Bonds”) and levied special assessments to the secure the 2008 Bonds (the “Series 2008 Assessments”); and

WHEREAS, the infrastructure improvements and facilities financed, in part, by the Series 2008 Bonds (the “2008 Project”) are more specifically described and identified in the District’s *Engineer’s Report* dated July 26, 2007, as revised, (the “Master Project Report”), adopted and confirmed by the District; and

WHEREAS, pursuant to Resolutions 2007-15, 2007-24 and 2008-03 (the “2008 Assessment Resolutions”), the District imposed Series 2008 Assessments on developable real property within the boundaries of the District that specially benefits from the 2008 Project as described in the Series 2008 Assessment Resolutions and as set forth in the District’s *First Supplemental Assessment*

Methodology Report, dated April 25, 2008 (the “2008 Assessment Report”); and

WHEREAS, the District has previously adopted Resolution 2017-05 regarding the imposition of special assessment which the District desires to rescind in its entirety and replace with this Resolution; and

WHEREAS, the District has determined that it is in the best interest of the District and its residents to refund the Series 2008 Bonds with refunding and improvement bonds to be issued in 2017, and apply a portion of those proceeds to the construction, installation and/or acquisition of additional infrastructure improvements (the “2017 Project”) as more fully described in the *Engineer’s Report* dated July 16, 2007, as revised and supplemented in the *Supplemental Engineer’s Report for the 2017 Improvements*, dated August 2017 (the “2017 Report”); and

WHEREAS, the Board of Supervisors of the District (“Board”) hereby determines to ratify and approve the undertaking, installing, planning, establishing, constructing, enlarging or extending, equipping, acquiring, operating, and/or maintaining the public improvements described in the Engineer’s Report and the 2017 Report (together the “Improvements”), all of which are attached hereto as **Composite Exhibit A** and incorporated herein by reference, which Improvements, and the nature and specificity thereof, are more particularly described in **Composite Exhibit A**; and

WHEREAS, it is in the best interests of the District to continue to pay the cost of the Improvements through the levy of special assessments pursuant to Chapters 170 and 190, *Florida Statutes* (the “Series 2017 Special Assessments”); and

WHEREAS, notwithstanding the District’s adoption of this resolution to begin the process of levying the Series 2017 Special Assessments, the 2008 Assessments shall remain valid and binding until such time as the District levies the Series 2017 Special Assessments and issues its Special Assessment Refunding and Improvement Bonds, Series 2017, which may be issued in multiple series, to be secured by the Series 2017 Special Assessments; and

WHEREAS, the District is empowered by Chapter 190, *Florida Statutes*, the Uniform Community Development District Act, and Chapter 170, *Florida Statutes*, Supplemental Alternative Method of Making Local and Municipal Improvements, and Chapter 197, *Florida Statutes*, to continue implementation of the Improvements and to levy the Series 2017 Special Assessments; and

WHEREAS, the District hereby determines that benefits have accrued and will continue to accrue to the property improved, the amount of those benefits, and that special assessments will be made in proportion to the benefits received as set forth in the District’s First Supplemental Assessment Methodology Report, and the *Second Supplemental Assessment Methodology Report* dated ____, 2017, (the “2017 Assessment Report”) all of which are attached hereto as **Composite Exhibit B** incorporated herein by reference (the “Assessment Report”), and on file at Governmental Management Services, Central Florida Inc. located at 135 W. Central Blvd, Suite 320, Orlando, Florida 32801 or 1769 E. Moody Blvd., Bunnell, Florida, (“District Records Office”); and

WHEREAS, this Resolution shall serve as the “resolution required to declare special assessments” contemplated by section 170.03, *Florida Statutes*, for the assessment lien(s) levied

against certain property as described in **Composite Exhibit A** that collectively comprise the Series 2017 Special Assessments; and

WHEREAS, the District hereby determines that the Series 2017 Special Assessments to be levied will not exceed the benefits to the property improved.

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

Section 1. Resolution 2017-05 is hereby rescinded in its entirety.

Section 2. The Series 2017 Special Assessments shall be levied to defray the cost of the Improvements.

Section 3. The nature and general location of, and plans and specifications for, the Improvements are described in **Composite Exhibit A**, and are on file at the District's Records Office and available for public inspection.

Section 4. The total cost of the Improvements is \$ _____ (hereinafter, referred to as the "Estimated Cost").

Section 5. The Series 2017 Special Assessments will collectively defray approximately \$ _____ which includes a portion of the Estimated Cost together with financing related costs, capitalized interest, debt service reserve and contingency, as applicable. The lien for the Series 2017 Special Assessments will be allocated across all benefitted property to secure the debt related to the District's Special Assessment Refunding and Improvement Bonds, Series 2017. Should the District issue additional bonds for the purpose of funding additional portions of the Improvements, and seek to levy assessments to secure such bonds, the District shall adopt additional resolutions declaring assessments as contemplated by section 170.03, Florida Statutes and conduct a public hearing on such assessments.

Section 6. The manner in which the Series 2017 Special Assessments shall be apportioned and paid is set forth in **Composite Exhibit B**.

Section 7. The Series 2017 Special Assessments shall be levied, within the District, on certain lots and lands adjoining and contiguous or bounding and abutting upon such improvements or specially benefitted thereby and further designated by the assessment plat hereinafter provided for.

Section 8. There is on file, at the District Records Office an assessment plat showing the areas to be assessed, with certain plans and specifications describing the Improvements and the Estimated Cost of the Improvements, all of which shall be open to inspection by the public.

Section 9. Commencing with the year in which the Series 2017 Special Assessments are certified for collection, the Series 2017 Special Assessments shall be paid in not more than thirty

(30) annual installments or the maximum period of time permitted by law then in effect. The Series 2017 Special Assessments may be payable at the same time and in the same manner as are ad-valorem taxes and collected pursuant to Chapter 197, *Florida Statutes* (the “Uniform Method”); provided, however, that in the event the Uniform Method is not available to the District in any year, or if determined by the District to be in its best interest, the Series 2017 Special Assessments, or any portion thereof, may be collected as is otherwise permitted by law. The decision to collect special assessments by any particular method – e.g., by direct bill or on the tax roll – does not mean that such a method will be used to collect special assessments in future years, and the District reserves the right in its sole discretion to select collection methods in any given year, regardless of past practices.

Section 10. The District Manager has caused to be made a preliminary assessment roll, in accordance with the Assessment Report, attached as **Composite Exhibit B** hereto, which shows the lands assessed, the amount of benefit to and the assessment against each parcel of land and the number of annual installments into which the assessment may be divided, which is hereby adopted and approved as the District’s preliminary assessment roll.

Section 11. The Board shall adopt a subsequent resolution to fix a time and place at which the owners of property to be assessed or any other persons interested therein may appear before the Board and be heard as to the propriety and advisability of the assessments or the making of the Improvements, the cost thereof, the manner of payment therefor, or the amount thereof to be assessed against each property as improved.

Section 12. The District Manager is hereby directed to cause this resolution to be published twice (once a week for two (2) weeks) in a newspaper of general circulation within Flagler County, Florida, and to provide such other notice as may be required by law or desired in the best interests of the District.

Section 13. This Resolution shall become effective upon its passage.

PASSED AND ADOPTED this 24th day of August, 2017.

Attest:

**DEER RUN COMMUNITY
DEVELOPMENT DISTRICT**

Secretary

Chairperson, Board of Supervisors

Composite Exhibit A: Engineer’s Reports dated July 16, 2007 and August, 2017
Composite Exhibit B: Assessment Methodology Reports dated April 25, 2008 and _____, 2017

D

RESOLUTION 2017-10

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE DEER RUN COMMUNITY DEVELOPMENT DISTRICT SETTING A PUBLIC HEARING TO BE HELD ON _____, 2017, AT _____ P.M. AT THE GOVERNMENT SERVICES BUILDING, 1769 E. MOODY BOULEVARD, BUNNELL, FLORIDA, FOR THE PURPOSE OF HEARING PUBLIC COMMENT ON IMPOSING SPECIAL ASSESSMENTS ON CERTAIN PROPERTY WITHIN THE DISTRICT GENERALLY DESCRIBED AS THE DEER RUN COMMUNITY DEVELOPMENT DISTRICT IN ACCORDANCE WITH CHAPTERS 170, 190 AND 197, FLORIDA STATUTES.

WHEREAS, the Board of Supervisors of the Deer Run Community Development District, (the “Board”) has previously adopted Resolution 2017-07, entitled

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE DEER RUN COMMUNITY DEVELOPMENT DISTRICT RESCINDING RESOLUTION 2017-05 IN ITS ENTIRITY; DECLARING SPECIAL ASSESSMENTS TO SECURE ITS ANTICIPATED SPECIAL ASSESSMENT REFUNDING AND IMPROVEMENT BONDS, SERIES 2017; INDICATING THE LOCATION, NATURE AND ESTIMATED COST OF THOSE IMPROVEMENTS WHOSE COST IS TO BE DEFRAID BY THE SPECIAL ASSESSMENTS; PROVIDING THE PORTION OF THE ESTIMATED COST OF THE IMPROVEMENTS TO BE DEFRAID BY THE SPECIAL ASSESSMENTS; PROVIDING THE MANNER IN WHICH SUCH SPECIAL ASSESSMENTS SHALL BE MADE; PROVIDING WHEN SUCH SPECIAL ASSESSMENTS SHALL BE PAID; DESIGNATING LANDS UPON WHICH THE SPECIAL ASSESSMENTS SHALL BE LEVIED; PROVIDING FOR AN ASSESSMENT PLAT; ADOPTING A PRELIMINARY ASSESSMENT ROLL; PROVIDING FOR PUBLICATION OF THIS RESOLUTION.

WHEREAS, in accordance with Resolution 2017-07, a Preliminary Special Assessment Roll has been prepared and all other conditions precedent set forth in Chapters 170, 190 and 197, *Florida Statutes*, to the holding of the aforementioned public hearing have been satisfied, and the roll and related documents are available for public inspection at the offices of Governmental Management Services-Central Florida, located at 1769 E. Moody Blvd., Bunnell, Florida (the “District Records Offices”).

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE DEER RUN COMMUNITY DEVELOPMENT DISTRICT:

1. There is hereby declared a public hearing to be held at _____.M., on

_____, 2017, at the offices of the Government Services Building, 1769 E. Moody Boulevard, Bunnell, Florida, for the purpose of hearing comment and objections to the proposed special assessment program for District improvements as identified in the Preliminary Special Assessment Roll, a copy of which is on file. Affected parties may appear at that hearing or submit their comments in writing prior to the hearing to the office of the District Manager at 135 W. Central Boulevard, Suite 320, Orlando, Florida 32801, (407) 841-5524.

2. Notice of said hearing shall be advertised in accordance with Chapters 170, 190 and 197, *Florida Statutes*, and the District Manager is hereby authorized and directed to place said notice in a newspaper(s) of general circulation within Flagler County (by two publications one week apart with the first publication at least twenty (20) days prior to the date of the hearing established herein). The District Manager shall file a publisher's affidavit with the District Secretary verifying such publication of notice. The District Manager is further authorized and directed to give thirty (30) days written notice by mail of the time and place of this hearing to the owners of all property to be assessed and include in such notice the amount of the assessment for each such property owner, a description of the areas to be improved and notice that information concerning all assessments may be ascertained at the District Records Offices. The District Manager shall file proof of such mailing by affidavit with the District Secretary.

3. This Resolution shall become effective upon its passage.

PASSED AND ADOPTED THIS 24th DAY OF AUGUST, 2017.

ATTEST:

**DEER RUN COMMUNITY
DEVELOPMENT DISTRICT**

Secretary / Assistant Secretary

Chairperson, Board of Supervisors

RESOLUTION 2017-11

A RESOLUTION OF THE BOARD OF SUPERVISORS OF DEER RUN COMMUNITY DEVELOPMENT DISTRICT AUTHORIZING THE ISSUANCE OF ITS DEER RUN COMMUNITY DEVELOPMENT DISTRICT SPECIAL ASSESSMENT REVENUE AND REFUNDING BONDS, SERIES 2017, IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$13,000,000 (THE "SERIES 2017 BONDS") TO REFUND AND REDEEM ALL OF THE DISTRICT'S OUTSTANDING SPECIAL ASSESSMENT BONDS, SERIES 2008 AND TO FUND CERTAIN CAPITAL IMPROVEMENTS; DETERMINING CERTAIN DETAILS OF THE SERIES 2017 BONDS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A SECOND SUPPLEMENTAL TRUST INDENTURE; AUTHORIZING THE NEGOTIATED SALE OF THE SERIES 2017 BONDS; APPOINTING THE UNDERWRITER; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE CONTRACT WITH RESPECT TO THE SERIES 2017 BONDS AND AWARDED THE SERIES 2017 BONDS TO THE UNDERWRITER NAMED THEREIN PURSUANT TO THE PARAMETERS SET FORTH IN THIS RESOLUTION; APPROVING THE FORM OF AND AUTHORIZING THE DISTRIBUTION OF THE PRELIMINARY LIMITED OFFERING MEMORANDUM AND ITS USE BY THE UNDERWRITER IN CONNECTION WITH THE OFFERING FOR SALE OF THE SERIES 2017 BONDS AND APPROVING THE EXECUTION AND DELIVERY OF A FINAL LIMITED OFFERING MEMORANDUM; AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE AGREEMENT AND THE APPOINTMENT OF A DISSEMINATION AGENT; PROVIDING FOR THE APPLICATION OF SERIES 2017 BOND PROCEEDS; AUTHORIZING THE PROPER OFFICIALS TO DO ALL THINGS DEEMED NECESSARY IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF THE SERIES 2017 BONDS; MAKING CERTAIN DECLARATIONS; APPOINTING A TRUSTEE; PROVIDING FOR THE REGISTRATION OF THE SERIES 2017 BONDS PURSUANT TO THE DTC BOOK-ENTRY SYSTEM; PROVIDING AN EFFECTIVE DATE AND FOR OTHER PURPOSES.

WHEREAS, Deer Run Community Development District (the "District") is a local unit of special purpose government duly organized and existing under the provisions of the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), created pursuant to Ordinance No. 2007-17 of the City Commissioners of the City of Bunnell, Florida, enacted on May 15, 2007, for the purposes of delivering community development services and facilities to property to be served by the District; and

WHEREAS, the premises governed by the District (referred to herein as the "District Lands") are described more fully in Exhibit A to the Master Trust Indenture between the District and the Trustee, dated as of May 1, 2008 (the "Master Indenture"), consisting of approximately 690 acres of land located entirely within the City of Bunnell, Florida (the "City"); and

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

WHEREAS, the District has previously determined to undertake, in one or more stages, the planning, financing, acquisition, construction, reconstruction, equipping and installation of certain infrastructure improvements including roadways, a water/sewer distribution system, reuse water distribution system, a stormwater management and drainage system, landscaping and entrance features, and undergrounding of electrical systems, pursuant to the Act for the special benefit of the District Lands or portions thereof (the "Project"); and

WHEREAS, the Board of Supervisors of the District (the "Board") duly adopted Resolution No. 2007-14 on May 30, 2007 (the "Authorizing Resolution"), authorizing, among other things, the issuance in one or more series of not to exceed \$40,000,000 aggregate principal amount of its Special Assessment Bonds in order to finance the costs of the Project; and

WHEREAS, the Bonds authorized by the Authorizing Resolution were validated and confirmed by judgment of the Circuit Court of the Seventh Judicial Circuit of Florida, in and for Flagler, County, Florida, rendered on July 9, 2007; and

WHEREAS, on May 1, 2008, the District issued, pursuant to the Master Indenture and that certain First Supplemental Trust Indenture, dated as of May 1, 2008, between the District and the Trustee (the "First Supplemental Indenture" and together with the Master Indenture, the "2008 Trust Indenture"), its Deer Run Community Development District (City of Bunnell, Florida) Special Assessment Bonds, Series 2008 (the "Series 2008 Bonds") in the principal amount of \$8,165,000, which financed the Series 2008 Project (as such term is defined in the First Supplemental Indenture), which are currently outstanding in the principal amount of \$8,090,000; and

WHEREAS, the repayment of the Series 2008 Bonds is secured by special assessments levied and imposed pursuant to Chapters 170 and 190, Florida Statutes (the "Series 2008 Assessments"); and

WHEREAS, the owner of a portion of the lands within the District subject to the Series 2008 Assessments failed to pay the Series 2008 Assessments when due which in turn caused Events of Default to occur under the 2008 Trust Indenture; and

WHEREAS, as a result of the Events of Default, the beneficial owners of not less than a majority of the outstanding Series 2008 Bonds have certain rights to direct remedial proceedings and to request and direct the District to undertake, or refrain from undertaking, remedial actions to which the District, as the assessing entity, may have the right under applicable law or with respect to which the District may be required to take under the 2008 Trust Indenture; and

WHEREAS, the District and the Owners of the Series 2008 Bonds now desire to tender to the Trustee, the Series 2008 Bonds, and cause the cancellation of the corresponding Series 2008 Assessments for the purpose of refunding all of the outstanding Series 2008 Bonds; and

WHEREAS, the District has also determined to undertake additional Project improvements involving the planning, financing, acquisition and construction of recreational facilities and landscaping (the "Series 2017 Project"), as further described in Exhibit A attached to the Second Supplemental Indenture (as defined herein); and

WHEREAS, in connection with refunding all of the outstanding Series 2008 Bonds and providing funds for the Series 2017 Project, the District has determined to issue its Deer Run Community Development District Special Assessment Revenue and Refunding Bonds, Series 2017 (the "Series 2017 Bonds") under the Master Indenture. The Series 2017 Bonds are being issued for the purpose, among other things, of providing funds for (i) refunding all Outstanding Series 2008 Bonds; (ii) acquiring and constructing the Series 2017 Project; (iii) funding a deposit to the Series 2017 Debt Service Reserve Account; (iv) paying a portion of the interest coming due on the Series 2017 Bonds with respect to a portion of the Series 2017 Bonds allocable to the Series 2017 Project, through November 1, 2018; and (v) paying the costs of issuance of the Series 2017 Bonds; and

WHEREAS, there has been submitted to this meeting with respect to the issuance and sale of the Series 2017 Bonds and submitted to the Board:

(i) a form of Second Supplemental Trust Indenture ("Second Supplemental Indenture") between Regions Bank, as Trustee (the "Trustee") and the District attached hereto as **Exhibit A**, which will supplement the Master Indenture (together with the Second Supplemental Indenture, the "Indenture"); and

(ii) a form of Bond Purchase Contract with respect to the Series 2017 Bonds between MBS Capital Markets, LLC (the "Underwriter") and the District attached hereto as **Exhibit B** (the "Purchase Contract"), together with the form of disclosure statements attached to the Purchase Contract in accordance with Section 218.385, Florida Statutes; and

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

(iv) a form of Continuing Disclosure Agreement (the "Continuing Disclosure Agreement"), among the District, D.R. Horton, Inc. – Jacksonville (the "Developer") and Lerner Reporting Services, Inc., as dissemination agent (the "Dissemination Agent"), attached hereto as **Exhibit D**.

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

Section 1. Definitions. Capitalized terms used herein without definitions shall have the meanings assigned thereto in the Second Supplemental Indenture described in Section 5 hereof, the form of which is set out as **Exhibit A** attached hereto, unless the context otherwise clearly requires.

Section 2. Authorization, Designation and Principal Amount of the Series 2017 Bonds. There are hereby authorized and directed to be issued the District's Special Assessment Revenue and Refunding Bonds, Series 2017, in the aggregate principal amount not to exceed \$13,000,000, for the purposes, among others, of (i) refunding all Outstanding Series 2008 Bonds; (ii) acquiring and constructing the Series 2017 Project; (iii) funding a deposit to the Series 2017 Debt Service Reserve Account; (iv) paying a portion of the interest coming due on the Series 2017 Bonds with respect to a portion of the Series 2017 Bonds allocable to the Series 2017 Project, through November 1, 2018; and (v) paying the costs of issuance of the Series 2017 Bonds. The purchase price of the Series 2017 Bonds shall be received and receipted by the District, or the Trustee on behalf of the District, and the Trustee shall apply the proceeds of the Series 2017 Bonds as set forth in the Indenture and the Limited Offering Memorandum (as defined below).

Section 3. Designation of Attesting Members. The Chairman or the Secretary of the Board, or in the case of the absence of either or the inability to act of either, the Vice Chairman or Assistant Secretaries and members of the Board (each individually a "Designated Member"), are hereby designated and authorized on behalf of the Board to attest to the seal of the Board and to the signature of the Chairman or Vice Chairman of the Board as they appear on the Series 2017 Bonds, the Indenture and any other documents which may be necessary or helpful in connection with the issuance and delivery of the Series 2017 Bonds and in connection with the application of the proceeds thereof.

Section 4. Details of the Series 2017 Bonds. The District hereby determines that the Series 2017 Bonds shall be dated, have such interest payment dates, have such maturities, have such redemption provisions and bear interest at such rates, all as provided in the Purchase Contract and the Limited Offering Memorandum.

Section 5. Trust Indenture. The District hereby approves and authorizes the execution by the Chairman or any Designated Member and the Secretary and the delivery of the Second Supplemental Indenture in substantially the form thereof attached hereto as **Exhibit A**, with such changes therein as shall be approved by the Chairman or Designated Member executing the same, with such execution to constitute conclusive evidence of such officer's approval and the District's approval of any changes therein from the form of the Second Supplemental Indenture attached hereto.

Section 6. Appointment of Underwriter; Negotiated Sale. MBS Capital Markets, LLC, is hereby appointed the underwriter of the Series 2017 Bonds (the "Underwriter"). The Series 2017 Bonds shall be sold by a negotiated sale to the Underwriter. It is hereby determined by the District that a negotiated sale of the Series 2017 Bonds to the Underwriter will best

effectuate the purposes of the Act, is in the best interest of the District and is necessitated by, in general, the characteristics of the issue and prevailing market conditions and specifically, the following additional reasons: (i) because of the complexity of the financing structure of the Series 2017 Bonds and the institutional market for unrated securities such as the Series 2017 Bonds, it is desirable to sell the Series 2017 Bonds pursuant to a negotiated sale so as to have an underwriter involved from the outset of the financing to assist in these matters; (ii) because of changing market conditions for tax-exempt bonds and the necessity of being able to adjust the terms of the Series 2017 Bonds, it is in the best interests of the District to sell the Series 2017 Bonds by a negotiated sale; (iii) the Underwriter has participated in structuring the issuance of the Series 2017 Bonds and can assist the District in attempting to obtain the most attractive financing for the District; and (iv) the District will not be adversely affected if the Series 2017 Bonds are not sold pursuant to a competitive sale.

Section 7. Purchase Contract.

(i) The District hereby approves the form of the Purchase Contract submitted by the Underwriter and attached as **Exhibit B** hereto, and the sale of the Series 2017 Bonds by the District upon the terms and conditions to be set forth in the Purchase Contract and in compliance with (ii) below are hereby approved. Provided the provisions of subparagraph (ii) have been complied with, the Chairman or a Designated Member are each hereby authorized, acting individually, to execute the Purchase Contract and to deliver the Purchase Contract to the Underwriter. The Purchase Contract shall be in substantially the form of the Purchase Contract attached hereto as **Exhibit B** with such changes, amendments, modifications, omissions and additions as may be approved by the Chairman or the Designated Member. The disclosure statements of the Underwriter as required by Section 218.385 of the Florida Statutes, to be delivered to the District prior to the execution of the Purchase Contract, a copy of which is attached as an exhibit to the Purchase Contract will be entered into the official records of the District. Execution by the Chairman or a Designated Member of the Purchase Contract shall be deemed to be conclusive evidence of approval of such changes;

(ii) Receipt by the Chairman of a written offer to purchase the Series 2017 Bonds by the Underwriter substantially in the form of the Purchase Contract, said offer to provide for, among other things, (A) the issuance of not exceeding \$13,000,000 initial aggregate principal amount of Series 2017 Bonds at an interest rate not to exceed the maximum rate of interest as described in Chapter 215.84, Florida Statutes, (B) a price of not less than 98%, excluding original issue discount, of the par amount of the Series 2017 Bonds, and (C) the final maturity of the Series 2017 Bonds shall not be later than May 1, 2048.

Section 8. Preliminary Limited Offering Memorandum; Final Limited Offering Memorandum. The District hereby authorizes and approves the distribution and use of the Preliminary Limited Offering Memorandum in substantially the form submitted to this meeting and attached hereto as **Exhibit C** in connection with the limited offering for sale of the Series 2017 Bonds. The preparation of a final Limited Offering Memorandum (the "Limited Offering Memorandum") is hereby approved and the Chairman or any Designated Member is hereby authorized to execute such final Limited Offering Memorandum to be dated the date of the award of the Series 2017 Bonds, and upon such award, to deliver the same to the Underwriter for use by it in connection with the sale and distribution of the Series 2017 Bonds. The Limited

Offering Memorandum shall be substantially in the form as the Preliminary Limited Offering Memorandum, with such changes as shall be approved by the Chairman or Designated Member as necessary to conform to the details of the Series 2017 Bonds, the Purchase Contract and such other insertions, modifications and changes as may be approved by the Chairman or Designated Member. The execution and delivery of the Limited Offering Memorandum by the Chairman shall constitute evidence of the approval thereof. The District hereby authorizes the use of the Limited Offering Memorandum and the information contained therein in connection with the offering and sale of the Series 2017 Bonds. The District hereby authorizes the Chairman or a Designated Member to deem "final" the Preliminary Limited Offering Memorandum except for permitted omissions all within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934 and to execute a certificate in that regard.

Section 9. Continuing Disclosure. The District does hereby authorize and approve the execution and delivery of a Continuing Disclosure Agreement by the Chairman or a Designated Member substantially in the form presented to this meeting and attached hereto as **Exhibit D** with the Developer and the Dissemination Agent (as defined below). The Continuing Disclosure Agreement is being executed by the District, the Developer and the Dissemination Agent in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5). Lerner Reporting Services, Inc., is hereby appointed as the initial dissemination agent (herein, the "Dissemination Agent").

Section 10. Appointment of Trustee. Regions Bank is hereby appointed to serve as Trustee, Paying Agent, Registrar and Authenticating Agent under the Indenture.

Section 11. Application of Bond Proceeds. The proceeds of the Series 2017 Bonds shall be applied to (i) refund all Outstanding Series 2008 Bonds; (ii) acquire and construct the Series 2017 Project; (iii) fund a deposit to the Series 2017 Debt Service Reserve Account; (iv) pay a portion of the interest coming due on the Series 2017 Bonds with respect to a portion of the Series 2017 Bonds allocable to the Series 2017 Project, through November 1, 2018; and (v) pay the costs of issuance of the Series 2017 Bonds.

Section 12. Further Official Action; Ratification of Prior and Subsequent Acts. The Chairman, the Secretary and each member of the Board of Supervisors of the District and any other proper official of the District are each hereby authorized and directed to execute and deliver any and all documents and instruments (including, without limitation, any documents required by the Trustee to evidence its rights and obligations with respect to the Series 2017 Bonds, any documents required in connection with implementation of a book-entry system of registration and any agreements in connection with maintaining the exclusion of interest on the Series 2017 Bonds from gross income of the holders thereof) and to do and cause to be done any and all acts and things necessary or desirable for carrying out the transactions contemplated by this Resolution. In the event that the Chairman or the Secretary is unable to execute and deliver the documents herein contemplated, such documents shall be executed and delivered by the respective designee of such officer or official or any other duly authorized officer or official of the District. The Secretary or any Assistant Secretary is hereby authorized and directed to apply and attest the official seal of the District to any agreement or instrument authorized or approved herein that requires such a seal and attestation. The Chairman or any Designated Member may, among other things, authorize the change of the date of any document accompanying this

Resolution as an exhibit or incorporate the information and details related to the sale and pricing of the Series 2017 Bonds including any required changes to the District engineer's report or its assessment methodology. Execution by the Chairman or a Designated Member of such document shall be deemed to be conclusive evidence of approval of such change of date or the incorporation of information and details relating to the sale and pricing of the Series 2017 Bonds. All of the acts and doings of such members of the Board, the officers of the District, and the agents and employees of the District, which are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, shall be and are hereby ratified, confirmed and approved, including the issuance of the Notice of Redemption for the Series 2017 Bonds.

Section 13. Severability. If any section, paragraph, clause or provision of this Resolution shall be held to be invalid or ineffective for any reason, the remainder of this Resolution shall continue in full force and effect, it being expressly hereby found and declared that the remainder of this Resolution would have been adopted despite the invalidity or ineffectiveness of such section, paragraph, clause or provision.

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

Section 15. Engineer's Report. The Board hereby approves of changes to the Engineer's Report previously approved by the Board and also authorizes further revisions and supplements to the Engineer's Report with respect to the marketing and sale of the Series 2017 Bonds relating to the 2017 Project.

Section 16. Assessment Methodology Report. The Board authorizes further modifications and supplements to the Assessment Methodology Report previously approved by the Board to conform such report to the marketing and sale of the Series 2017 Bonds.

Section 17. Ratification of Authorizing Resolution. Except to the extent hereby modified, the Authorizing Resolution of the District is hereby ratified, confirmed and approved in all respects.

Section 18. Effective Date. This Resolution shall take effect immediately upon its adoption.

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FOLLOWS]

PASSED in Public Session of the Board of Supervisors of Deer Run Community Development District, this 24th day of August, 2017.

**DEER RUN COMMUNITY
DEVELOPMENT DISTRICT**

Attest:

Secretary,
Board of Supervisors

Chairman,
Board of Supervisors

EXHIBIT A

FORM OF SECOND SUPPLEMENT

EXHIBIT B

FORM OF PURCHASE CONTRACT

EXHIBIT C

FORM OF PRELIMINARY LIMITED OFFERING MEMORANDUM

EXHIBIT D

FORM OF CONTINUING DISCLOSURE AGREEMENT

**AGREEMENT BETWEEN DEER RUN COMMUNITY DEVELOPMENT DISTRICT
AND D.R. HORTON, INC. - JACKSONVILLE, REGARDING THE ACQUISITION OF
CERTAIN WORK PRODUCT, IMPROVEMENTS AND REAL PROPERTY**

THIS ACQUISITION AGREEMENT (“Agreement”) is made and entered into this __ day of September, 2017, by and between:

DEER RUN COMMUNITY DEVELOPMENT DISTRICT, a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*, and located in the City of Bunnell, Florida, whose mailing address is 135 W. Central Boulevard, Suite 320, Orlando, Florida 32801 (the “District”), and

D.R. HORTON, INC. - JACKSONVILLE, a Delaware corporation and a landowner in the District, whose address is 4220 Race Track Road, Saint Johns, Florida 32259, and its successors and assigns (the “Landowner” and, together with the District, the “Parties”).

RECITALS

WHEREAS, the District was established by ordinance adopted by the Board of City Commissioners in and for the City of Bunnell, Florida, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, *Florida Statutes*, as amended (the “Act”), and is validly existing under the Constitution and laws of the State of Florida; and

WHEREAS, the Act authorizes the District to issue bonds for the purpose, among others, of planning, financing, constructing, reconstructing, operating, and/or maintaining certain infrastructure, including roadways, stormwater management, wastewater management, utilities, parks and facilities for recreational, cultural, and educational activities, landscaping, signage, hardscaping, security systems and facilities, and other infrastructure improvements within or without the boundaries of the District; and

WHEREAS, the Landowner is the owner of certain lands located within the boundaries of the District; and

WHEREAS, the District has adopted an improvement plan to finance the planning, design, acquisition, construction, and installation of certain infrastructure improvements, facilities, and services, as detailed in the *Supplemental Engineer’s Report* dated _____, 2017 (“Engineer’s Report”), attached to this Agreement as **Exhibit A** and incorporated herein by this reference, and is referred to as the “Series 2017 Project”; and

WHEREAS, the District intends to finance a portion of the Series 2017 Project through the use of proceeds from the anticipated sale of Deer Run Community Development District (City of Bunnell, Florida) Special Assessment Revenue and Refunding Bonds, Series 2017 (“Series 2017 Bonds”); and

WHEREAS, the District has not had sufficient monies on hand to allow the District to contract directly for: (i) the preparation of the surveys, testing, reports, drawings, plans, permits, specifications, and related documents necessary to complete the Series 2017 Project (“Work Product”); or (ii) construction, reconstruction, and/or installation of all of the improvements comprising the Series 2017 Project (“Improvements”); and

WHEREAS, the District acknowledges the Landowner’s need to have the Improvements constructed in an expeditious and timely manner in order to develop the development; and

WHEREAS, in order to avoid a delay in the commencement of the development of the Work Product and/or the Improvements, the Landowner has previously advance funded certain of the Work Product and/or Improvements; and

WHEREAS, the Landowner and the District are entering into this Agreement to set forth the process by which the District may acquire the Work Product, the Improvements, and any related real property interests (“Real Property”) from Landowner.

NOW, THEREFORE, based upon good and valuable consideration and the mutual covenants of the Parties, the receipt of which and sufficiency of which are hereby acknowledged, the District and the Landowner agree as follows:

1. INCORPORATION OF RECITALS. The recitals stated above are true and correct and by this reference are incorporated as a material part of this Agreement.

2. WORK PRODUCT AND IMPROVEMENTS. The Parties agree to cooperate and use good faith and best efforts to undertake and complete the acquisition process contemplated by this Agreement on such date or dates as the Parties may jointly agree upon (“Acquisition Date”). Subject to any applicable legal requirements (e.g., including, but not limited to, those laws governing the use of proceeds from tax exempt bonds), and the requirements of this Agreement, the District agrees to acquire completed Work Product and Improvements that are part of the Series 2017 Project.

- a. Request for Conveyance and Supporting Documentation** – When Work Product or Improvements are ready for conveyance by or on behalf of the Landowner to the District, the Landowner shall notify the District in writing, describing the nature of the Work Product and/or Improvement and estimated cost. Additionally, Landowner agrees to provide, at or prior to the Acquisition Date, the following: (i) documentation of actual costs paid, or if not available, evidence of value, (ii) instruments of conveyance such as bills of sale or such other instruments as may be requested by the District, and (iii) any other releases, warranties, indemnifications or documentation as may be reasonably requested by the District.
- b. Costs** – Subject to any applicable legal requirements (e.g., including, but not limited to, those laws governing the use of proceeds from tax exempt bonds), the availability of proceeds from the Series 2017 Bonds, and the requirements

of this Agreement, the District shall pay the lesser of (i) the actual cost of the Work Product or Improvements, and (ii) the fair market value of the Work Product or Improvements. The Landowner shall provide copies of any and all invoices, bills, receipts, or other evidence of costs incurred by the Landowner for any Work Product and/or Improvements. The District Engineer shall review all evidence of cost and shall certify to the District whether the cost being paid is the lesser of (i) the actual cost of creation/construction of the Work Product or Improvements, and (ii) the fair market value of the Work Product or Improvements. The District Engineer's opinion as to cost shall be set forth in an Engineer's Certificate which shall accompany the requisition for the funds from the District's trustee for the Series 2017 Bonds ("Trustee").

- c. ***Conveyances on "As Is" Basis*** – Unless otherwise agreed, all conveyances of Work Product and/or Improvements shall be on an "as is" basis. In addition, the Landowner agrees to assign, transfer, and convey to the District any and all rights against any and all firms or entities which may have caused any latent or patent defects, including, but not limited to, any and all warranties and other forms of indemnification.
- d. ***Right to Rely on Work Product and Releases*** – The Landowner agrees to release to the District all right, title, and interest which the Landowner may have in and to any Work Product conveyed hereunder, as well as all common law, statutory, and other reserved rights, including all copyrights in the Work Product and extensions and renewals thereof under United States law and throughout the world, and all publication rights and all subsidiary rights and other rights in and to the Work Product in all forms, mediums, and media, now known or hereinafter devised. To the extent determined necessary by the District, the Landowner shall reasonably obtain all releases from any professional providing services in connection with the Work Product to enable the District to use and rely upon the Work Product. The District agrees to allow the Landowner access to and use of the Work Product without the payment of any fee by the Landowner. However, to the extent the Landowner's access to and use of the Work Product causes the District to incur any cost or expense, such as copying costs, the Landowner agrees to pay such cost or expense. Notwithstanding the foregoing, the Landowner shall maintain ownership of the copyrights and trademarks associated with marketing and advertising any development within the District but shall grant the District a license to use those copyrights or trademarks for the Improvements.
- e. ***Transfers to Third Party Governments*** – If any item acquired is to be conveyed to a third party governmental body, then the Landowner agrees to cooperate and provide such certifications, documents, bonds, warranties, and/or forms of security as may be required by that governmental body, if any.

- f. **Permits** – The Landowner agrees to cooperate fully in the transfer of any permits to the District or a governmental entity with maintenance obligations for any Improvements conveyed pursuant to this Agreement, provided that the District or such governmental entity accepts the associated operation and maintenance obligations.
- g. **Engineer's Certification** – The District shall accept any completed Work Product and/or Improvements where the District Engineer (or other consulting engineer reasonably acceptable to the District), in his/her professional opinion, is able to certify that, in addition to any other requirements of law: (i) the Work Product and/or Improvements are part of the Series 2017 Project; (ii) the price for such Work Product and/or Improvements does not exceed the lesser of the cost of the Work Product and/or Improvements or the fair market value of the Work Product and/or Improvements; (iii) as to Work Product, the Work Product is capable of being used for the purposes intended by the District, and, as to any Improvements, the Improvements were installed in accordance with their specifications, and are capable of performing the functions for which they were intended; and (iv) as to any Improvements, all known plans, permits, and specifications necessary for the operation and maintenance of the Improvements are complete and on file with the District, and have been transferred, or are capable of being transferred, to the District for operations and maintenance responsibilities.

3. **CONVEYANCE OF REAL PROPERTY.** The Landowner agrees that it will convey to the District at or prior to the Acquisition Date as determined solely by the District, by a special warranty deed or other instrument acceptable to the District's Board of Supervisors together with a metes and bounds or other description, the Real Property upon which any Improvements are constructed or which are necessary for the operation and maintenance of, and access to, the Improvements.

- a. **Cost.** The Parties agree that all Real Property shall be provided to the District at no cost. The Parties agree that the dedication of Real Property shall not negate the District's obligation to pay amounts attributable to the value of Improvements on the Real Property and other Improvements serving the Real Property that have been, or will be, funded by the District.
- b. **Fee Title and Other Interests** – The District may determine in its reasonable discretion that fee title for Real Property is not necessary and in such cases shall accept such other interest in the lands upon which the Improvements are constructed as the District deems acceptable, such as non-exclusive easement interests.
- c. **Landowner Reservation** – Any conveyance of Real Property hereunder by special warranty deed or other instrument shall be subject to a reservation by Landowner of its right and privilege to use the area conveyed to enable the construction by third parties of any Improvements and any future

improvements to such area for any related purposes (including, but not limited to, construction vehicle ingress and egress relating to the Development) not inconsistent with the District's use, occupation, or enjoyment thereof.

- d. ***Fees, Taxes, Title Insurance*** – The Landowner shall pay the cost for recording fees and documentary stamps required, if any, for the conveyance of the Real Property upon which the Improvements are constructed. The Landowner shall be responsible for all taxes and assessments levied on the Real Property upon which the Improvements are constructed until such time as the Landowner conveys all said lands to the District. At the time of conveyance, the Landowner shall provide, at its expense, an owner's title insurance policy or other evidence of title in a form satisfactory to the District.
- e. ***Boundary Adjustments*** – Landowner and the District agree that future boundary adjustments may be made as deemed reasonably necessary by the Parties in order to accurately describe Real Property conveyed to the District and lands which remain in Landowner's ownership. The Parties agree that any Real Property transfers made to accommodate such adjustments shall be accomplished by donation. However, the party requesting such adjustment shall pay any transaction costs resulting from the adjustment, including but not limited to taxes, title insurance, recording fees, or other costs. Landowner agrees that if a court or other governmental entity determines that a re-platting of the Real Property within the District is necessary, Landowner shall pay or cause a third party to pay all costs and expenses associated with such actions.

4. TAXES, ASSESSMENTS, AND COSTS.

- a. ***Taxes and Assessments on Property Being Acquired.*** The District is an exempt governmental unit acquiring property pursuant to this Agreement for use exclusively for public purposes. Accordingly, in accordance with Florida law, the Landowner agrees to place in escrow with the Flagler County tax collector an amount equal to the current ad valorem taxes and non-ad valorem assessments (with the exception of those ad valorem taxes and non-ad valorem assessments levied by the District) prorated to the date of transfer of title, based upon the expected assessment and millage rates giving effect to the greatest discount available for early payment.
 - i. If and only to the extent the property acquired by the District is subject to ad valorem taxes or non-ad valorem assessments, the Landowner agrees to reimburse the District for payment, or pay on its behalf, any and all ad valorem taxes and non-ad valorem assessments imposed during the calendar year in which each parcel of property is conveyed.
 - ii. Nothing in this Agreement shall prevent the District from asserting any rights to challenge any taxes or assessments imposed, if any, on any property of the District.

- b. **Notice.** The Parties agree to provide notice to the other within thirty (30) calendar days of receipt of any notice of potential or actual taxes, assessments, or costs, as a result of any transaction pursuant to this Agreement, or notice of any other taxes, assessments, or costs imposed on the property acquired by the District as described in subsection a. above. The Landowner covenants to make any payments due hereunder in a timely manner in accordance with Florida law. In the event that the Landowner fails to make timely payment of any such taxes, assessments, or costs, the Landowner acknowledges the District's right to make such payment. If the District makes such payment, the Landowner agrees to reimburse the District within thirty (30) calendar days of receiving notice of such payment, and to include in such reimbursement any fees, costs, penalties, or other expenses which accrued to the District as a result of making such a payment, including interest at the maximum rate allowed by law from the date of the payment made by the District.
- c. **Tax liability not created.** Nothing herein is intended to create or shall create any new or additional tax liability on behalf of the Landowner or the District. Furthermore, the Parties reserve all respective rights to challenge, pay under protest, contest or litigate the imposition of any tax, assessment, or cost in good faith they believe is unlawfully or inequitably imposed and agree to cooperate in good faith in the challenge of any such imposition.

5. **ACQUISITION IN ADVANCE OF RECEIPT OF PROCEEDS.** The District agrees to pursue the issuance of the Series 2017 Bonds in good faith and may in the future, and in its sole discretion, elect to issue additional bonds ("Future Bonds") that may be used to finance portions of work acquired hereunder that are not financed with the Series 2017 Bonds. In the event that the District issues the Series 2017 Bonds (or any Future Bonds) and has bond proceeds available to pay for any portion of the Series 2017 Project acquired by the District, and subject to the terms of the applicable documents relating to the Series 2017 Bonds (or any Future Bonds, as applicable), then the District shall promptly make payment for any such acquired Work Product, Improvements or Real Property pursuant to the terms of this Agreement; provided, however, that in the event the District's bond counsel determines that any such acquisitions are not properly compensable for any reason, including, but not limited to federal tax restrictions imposed on tax-exempt financing, the District shall not be obligated to make payment for such acquisitions.

6. **DEFAULT.** A default by either party under this Agreement shall entitle the other to all remedies available at law or in equity, which may include, but not be limited to, the right of damages and/or specific performance.

7. **ATTORNEYS' FEES AND COSTS.** In the event that either party is required to enforce this Agreement by court proceedings or otherwise, then the Parties agree that the substantially prevailing party shall be entitled to recover from the other all costs incurred,

including reasonable attorneys' fees, paralegal fees, and expert witness fees and costs for trial, alternative dispute resolution, or appellate proceedings.

8. AMENDMENTS. Amendments to and waivers of the provisions contained in this Agreement may be made only by an instrument in writing which is executed by both the District and the Landowner. Additionally, this Agreement may not be amended without the prior written consent of the Trustee acting at the direction of the bondholders owning a majority of the aggregate principal amount of the Series 2017 Bonds then outstanding, which consent shall not be unreasonably withheld.

9. AUTHORIZATION. The execution of this Agreement has been duly authorized by the appropriate body or official of the District and the Landowner; both the District and the Landowner have complied with all the requirements of law; and both the District and the Landowner have full power and authority to comply with the terms and provisions of this instrument.

10. NOTICES. All notices, requests, consents and other communications under this Agreement ("Notices") shall be in writing and shall be delivered, mailed by First Class Mail, postage prepaid, or overnight delivery service, to the Parties, as follows:

- A.** If to the District: Deer Run Community Development District
135 W. Central Boulevard, Suite 320
Orlando, Florida 32801
Attn: District Manager
- With a copy to: Hopping Green & Sams, P.A.
119 South Monroe Street, Suite 300
Post Office Box 6526
Tallahassee, Florida 32314
Attn: Roy Van Wyk
- B.** If to Landowner: D.R. Horton, Inc., - Jacksonville
4220 Race Track Road,
Saint Johns, Florida 32259
Attn: Bob Porter
- With a copy to: Hopping Green & Sams, P.A.
119 South Monroe Street, Suite 300
Tallahassee, Florida 32301
Attn: Brian Crumbaker
- And copy to: D.R. Horton, Inc.
12602 Telecom Drive
Tampa, Florida 33637
Attn: Paul Romanowski, Florida Region President

D.R. Horton, Inc.
1341 Horton Circle
Arlington, Texas 76011
Attn: Ted I. Harbour, Chief Legal Counsel

D.R. Horton, Inc.
12602 Telecom Drive
Tampa, Florida 33637
Attn: Charbel J. Barakat, Chief Counsel

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

11. ARM'S LENGTH TRANSACTION. This Agreement has been negotiated fully between the District and the Landowner as an arm's length transaction. The Parties participated fully in the preparation of this Agreement and received the advice of counsel. In the case of a dispute concerning the interpretation of any provision of this Agreement, both Parties are deemed to have drafted, chosen, and selected the language, and the doubtful language will not be interpreted or construed against either the District or the Landowner.

12. THIRD PARTY BENEFICIARIES. This Agreement is solely for the benefit of the District and the Landowner and no right or cause of action shall accrue upon or by reason, to or for the benefit of any third party not a formal party to this Agreement. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person or corporation other than the District and the Landowner any right, remedy, or claim under or by reason of this Agreement or any of the provisions or conditions of this Agreement; and all of the provisions, representations, covenants, and conditions contained in this Agreement shall inure to the sole benefit of and shall be binding upon the District and the Landowner and their respective representatives, successors, and assigns. Notwithstanding anything in this Agreement to the contrary, the Trustee for the Series 2017 Bonds shall be a direct third party beneficiary of the terms and conditions of this Agreement and, acting at the direction of and on behalf of the bondholders owning a majority of the aggregate principal amount of the Series 2017 Bonds outstanding, shall be entitled to cause the District to enforce the Landowner's obligations hereunder. The Trustee shall not be deemed to have assumed any obligations under this Agreement.

13. ASSIGNMENT. Neither the District nor the Landowner may assign this Agreement or any monies to become due hereunder without the prior written approval of the other and the Trustee and bondholders owning a majority of the aggregate principal amount of the Series 2017 Bonds outstanding, which consent shall not be unreasonably withheld. Such consent shall not be required in the event of a sale of the majority of the lands within the District then owned by the Landowner pursuant to which the unaffiliated purchaser agrees to assume any remaining obligations of the Landowner under this Agreement, provided however that no such assignment shall be valid where the assignment is being made for the purpose of avoiding the Landowner's obligations hereunder. Notwithstanding the foregoing, nothing herein shall prevent Landowner from selling condo units to end users.

14. APPLICABLE LAW AND VENUE. This Agreement and the provisions contained herein shall be construed, interpreted and controlled according to the laws of the State of Florida. Each party consents that the venue for any litigation arising out of or related to this Agreement shall be Flagler County.

15. PUBLIC RECORDS. The Landowner understands and agrees that all documents of any kind provided to the District in connection with this Agreement may be public records and treated as such in accordance with Florida law.

16. SEVERABILITY. The invalidity or unenforceability of any one or more provisions of this Agreement shall not affect the validity or enforceability of the remaining portions of this Agreement, or any part of this Agreement not held to be invalid or unenforceable.

17. LIMITATIONS ON GOVERNMENTAL LIABILITY. Nothing in this Agreement shall be deemed as a waiver of immunity or limits of liability of the District beyond any statutory limited waiver of immunity or limits of liability which may have been adopted by the Florida Legislature in Section 768.28, *Florida Statutes*, or other law, and nothing in this Agreement shall inure to the benefit of any third party for the purpose of allowing any claim which would otherwise be barred by sovereign immunity or by other operation of law.

18. HEADINGS FOR CONVENIENCE ONLY. The descriptive headings in this Agreement are for convenience only and shall not control nor affect the meaning or construction of any of the provisions of this Agreement.

19. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be an original; however, all such counterparts together shall constitute, but one and the same instrument. Signature and acknowledgment pages, if any, may be detached from the counterparts and attached to a single copy of this document to physically form one document.

20. EFFECTIVE DATE. This Agreement shall be effective upon its execution by the District and the Landowner.

IN WITNESS WHEREOF, the Parties execute this Agreement the day and year first written above.

ATTEST:

**DEER RUN COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

Chairperson, Board of Supervisors

D.R. HORTON, INC. - JACKSONVILLE, a
Delaware corporation

By: _____
Its: _____

Witness

Exhibit A: *Supplemental Engineer's Report* dated _____, __ 2017

Exhibit A
Supplemental Engineer's Report dated _____, 2017

SETTLEMENT AGREEMENT
RELATING TO THE REFUNDING OF SERIES 2008 BONDS

THIS SETTLEMENT AGREEMENT (this "Agreement") is made and entered into this __ day of September, 2017 ("Effective Date"), by and between:

DEER RUN COMMUNITY DEVELOPMENT DISTRICT, a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*, being situated in the City of Bunnell, Florida, and whose mailing address is 135 W. Central Boulevard, Suite 320, Orlando, Florida 32801 (the "District"); and

REGIONS BANK, an Alabama banking corporation, whose mailing address is 10245 Centurion Road, Jacksonville, Florida 32256 (the "Trustee"); and

D.R. HORTON, INC. - JACKSONVILLE, a Delaware corporation, whose address is 4220 Race Track Road, Saint Johns, Florida 32259 ("D.R. Horton").

RECITALS

WHEREAS, the District is a local unit of special-purpose government duly organized and existing under the provisions of the Uniform Community Development District Act of 1980, Chapter 190, *Florida Statutes*, as amended (the "Act"), established by Ordinance No. 2007-17 of the City Commissioners of the City of Bunnell, Florida, enacted on May 15, 2007, for the purpose, among other things, of financing and managing the acquisition, construction, maintenance, and operation of public infrastructure within and without the boundaries of the District; and

WHEREAS, the District has previously determined to undertake the acquisition and construction of certain public infrastructure pursuant to the Act (the "Improvements"), as more fully set forth in that certain *Engineer's Report* dated as of August 31, 2007, as amended by the *Supplemental Engineer's Report* dated April 8, 2008 (the "Series 2008 Project"), for the benefit of the developable lands within the District; and

WHEREAS, pursuant to the terms and provisions of that certain *Master Trust Indenture* by and between the District and Trustee dated as of May 1, 2008 (the "Master Indenture"), as supplemented by that certain *First Supplemental Trust Indenture* dated as of May 1, 2008 (the "First Supplemental Indenture," and together with the Master Indenture, the "2008 Trust Indenture"), entered into in connection with the Series 2008 Bonds the District financed a portion of the cost of acquisition and/or construction of the Series 2008 Project by the issuance of one or more Series of Bonds (as such terms are defined in the Master Indenture); and

WHEREAS, pursuant to the 2008 Trust Indenture, the District issued its \$8,165,000 Deer Run Community Development District (City of Bunnell, Florida) Special Assessment Bonds, Series 2008 (the "Series 2008 Bonds"), repayment of which is secured by special assessments levied pursuant to Chapters 170 and 190, *Florida Statutes* (the "Series 2008 Assessments"); and

WHEREAS, to the extent that certain landowners within the District fail to pay all or a portion of the Series 2008 Assessments and the Operations and Maintenance Assessments (collectively, the “Assessments”) allocated to their respective lands and such Assessments are not collected and enforced pursuant to the Uniform Method of Collection provided for in Chapter 197, *Florida Statutes* (the “Uniform Method”), the District is required by the applicable Trust Indenture, the Act and the resolutions levying and imposing the Assessments to take certain remedial actions; and

WHEREAS, the owner of a portion of the lands within the District subject to the Series 2008 Assessments failed to pay the Series 2008 Assessments when due (the “Delinquent Assessments”); and

WHEREAS, at the direction of the Trustee, the District brought a lawsuit seeking foreclosure of the Delinquent Assessments; and

WHEREAS, on February 14, 2014, the District entered into a tri-party settlement agreement with the Trustee and the delinquent property owner, as amended (the “First Settlement Agreement”) whereby the District agreed hold the foreclosure action in abeyance and to accept a deed in lieu of foreclosure, and the Trustee arranged for a special purpose entity to own, manage, maintain, sell and/or dispose of the subject lands for the benefit of the bondholders (the “Company”); and

WHEREAS, on June 25, 2015, the District entered into a second tri-party settlement agreement with the Trustee and the Company (the “Second Settlement Agreement”) pursuant to which the Trustee authorized the Company to own, maintain, sell and/or dispose of the subject property for the benefit of the bondholders; and

WHEREAS, as of the date of this Agreement, the Delinquent Assessments relating to the Series 2008 Assessments remain outstanding; and

WHEREAS, the District is authorized under the Act, Chapter 170, *Florida Statutes*, and other applicable provisions of law, to pursue certain remedial actions against the owners of property subject to the Delinquent Assessments to recover the still outstanding Series 2008 Assessments which have not been paid for the benefit of the owners of the Series 2008 Bonds and the District and, in furtherance thereof, to commence foreclosure proceedings against such property in the Circuit Court; and

WHEREAS, as a result of the Default, the beneficial owners of not less than a majority of the outstanding Series 2008 Bonds (the “Majority Owners”) have certain rights to direct remedial proceedings and to request and direct the District to undertake, or refrain from undertaking, remedial actions to which the District, as the assessing entity, may have the right under applicable law or with respect to which the District may be required to take under the 2008 Trust Indenture; and

WHEREAS, the Trustee at the direction of the Owners of the Series 2008 Bonds, requested that the District accept the tender of the Series 2008 Bonds and cancel the

corresponding Series 2008 Assessments for the purpose of refunding all of the Series 2008 Bonds; and

WHEREAS, the District adopted Resolution 2017-__ accepting the tender of the Series 2008 Bonds and canceling the Series 2008 Assessments; and

WHEREAS, the District and D.R. Horton, with the consent of the Majority Owners as set forth on **Exhibit A** attached hereto and incorporated herein by reference, desire to resolve and settle the Delinquent Assessments related to the lands described in **Exhibit B**, attached hereto, (the “2008 Assessment Parcels”), in accordance with the terms set forth below; and

WHEREAS, the Parties desire to enter into this Agreement and warrant that they have the right, power and authority to enter into and be bound by this Agreement.

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

1. INCORPORATION OF RECITALS AND EXHIBITS. The recitals stated above are true and correct and they are hereby incorporated by reference as a material part of this Agreement. Each exhibit attached to this Agreement is hereby incorporated by reference as a material part of this Agreement.

2. SETTLEMENT OF DELINQUENT PRINCIPAL, INTEREST AND PENALTIES DUE ON THE DELINQUENT ASSESSMENT PARCELS. Within thirty (30) days of the Effective Date, the District, the Trustee, with the direction and consent of the owner of the Series 2008 Bonds (the “Bondholder”), per the Bondholder direction attached hereto as **Exhibit A** and D.R. Horton, agree to issue its Deer Run Community Development District (City of Bunnell, Florida), Special Assessment Revenue and Refunding Bonds, Series 2017 (the “Series 2017 Bonds”), for the purpose of refunding \$8,165,000 principal amount of the outstanding Series 2008 Bonds at a tender price of \$_____ (the “Settlement Payment”), which represents full and complete settlement of \$8,165,000 principal amount of the outstanding Series 2008 Bonds together with all past due interest, and penalties on the Delinquent Assessment Parcels through the date of issuance of the Refunding Bonds. The District and the Bondholders further agree to a one-time waiver of acceleration of the Series 2008 Assessments on the Delinquent Assessment Parcels including all amounts due and owing to the District for interest penalties and costs of collection. Further, as set forth in the Bondholder direction, the Bondholder has waived any redemption notice provisions required from the District to the Trustee. To the extent it is necessary to clear any encumbrance on the Delinquent Assessment Parcels subject to the Series 2008 Assessments, the District shall record a notice of satisfaction of lien for the outstanding Series 2008 Assessments in the Official Records of Flagler County, Florida.

3. ISSUANCE OF SERIES 2017 BONDS. As additional consideration for this Agreement, within thirty (30) days of the effective date, the District agrees to pursue the issuance of its Deer Run Community Development District (City of Bunnell, Florida), Special Assessment Revenue and Refunding Bonds, Series 2017 in the amount of \$_____ to refund the Series 2008 Bonds and to fund the costs of additional improvements within the

District benefiting certain lands within the District as set forth in the attached *Supplemental Special Assessment Methodology Report* dated _____ (the "Methodology Report"), attached hereto as **Exhibit C** and incorporated herein by this reference. Upon issuance of the Series 2017 Bonds and the adoption of an assessment resolution imposing special assessments levied pursuant to Chapters 170, 190 and 197, *Florida Statutes*, to secure the Series 2017 Bonds (the "Series 2017 Special Assessments"), the Series 2008 Assessments on the Delinquent Assessment Parcels described in the assessment roll attached hereto as **Exhibit D** and incorporated herein by this reference, shall be deemed replaced by the lien of the Series 2017 Special Assessments.

4. PROTECTION AGAINST THIRD PARTY INTERFERENCE. Each Party shall be solely responsible for enforcing its rights under this Agreement against any interfering third party. Nothing contained in this Agreement shall limit or impair a Party's right to protect its rights from interference by any third party not a Party to this Agreement.

5. ENFORCEMENT OF AGREEMENT. In the event either Party is required to enforce this Agreement by court proceedings or otherwise, the prevailing Party shall be entitled to recover from the Party not prevailing all fees and costs incurred, including, but not limited to, reasonable attorneys' fees and costs for any trial, alternative dispute resolution, or appellate proceedings. No covenant or agreement contained in this Agreement shall be deemed to be the covenant or agreement of any member of the District or any official, officer, employee or agent of the District in an individual capacity, and neither the representatives of the District executing this Agreement nor any official, officer, employee, agent of the District shall be personally liable or accountable by reason of the execution or delivery hereof.

6. AMENDMENTS. Amendments to and waivers of the provisions contained in this Agreement may be made only by an instrument in writing which is executed by the Parties.

7. AUTHORIZATION. The execution of this Agreement has been duly authorized by the appropriate body or official of each Party, each Party has complied with all the requirements of law, and each party has the full power and authority to comply with the terms and provisions of this Agreement.

8. NOTICES. All notices, requests, consents and other communications under or in connection with this Agreement (each, a "Notice") shall be in writing and shall be delivered, mailed by First Class U.S. Mail, postage prepaid, or commercial next business day delivery service, to the Parties, as follows:

If to the District: Deer Run Community Development District
 135 W. Central Boulevard
 Suite 320
 Orlando, Florida 32801
 Attention: District Manager

With a copy to: Hopping Green & Sams, P.A.
119 South Monroe Street, Suite 300
Tallahassee, Florida 32301
Attention: Roy Van Wyk

If to D.R. Horton: D.R. Horton, Inc. - Jacksonville
4220 Race Track Road
Saint Johns, Florida 32259
Attention: Bob Porter

With a copy to: Hopping Green & Sams, P.A.
119 South Monroe Street, Suite 300
Tallahassee, Florida 32301
Attention: Brian Crumbaker

And copy to: D.R. Horton, Inc.
12602 Telecom Drive
Tampa, Florida 33637
Attention: Paul Romanowski, Florida Region President

D.R. Horton, Inc.
1341 Horton Circle
Arlington, Texas 76011
Attention: Ted I. Harbour, Chief Legal Counsel

D.R. Horton, Inc.
12602 Telecom Drive
Tampa, Florida 33637
Attention: Charbel J. Barakat, Chief Counsel, Florida Region

If to Trustee: Regions Bank
10245 Centurion Road
Jacksonville, Florida 32256
Attention: Janet Ricardo, Corporate Trust

With a copy to: Rogers Towers, P.A.
1301 Riverplace Boulevard
Suite 1500
Jacksonville, Florida 32207
Attention: Irvin M. Weinstein

Except as otherwise provided in this Agreement, any Notice shall be deemed received only upon actual delivery at the address set forth above. Notices delivered after 5:00 p.m. (at the place of delivery) or on a non-business day, shall be deemed received on the next business day. If any time for giving Notice contained in this Agreement would otherwise expire on a non-

business day, the Notice period shall be extended to the next succeeding business day. Saturdays, Sundays, and legal holidays recognized by the majority of the banks operating in Duval County, Florida shall not be regarded as business days. Legal counsel for each Party may deliver Notice on behalf of the Party represented by such legal counsel. Any Party or other person to whom Notices are required to be sent or copied may notify the Parties and other addressees of any change in name or address to which Notices shall be sent or copied by providing written notice of the same to the Parties and addressees set forth herein, and any such change shall be effective five (5) days after such notice is delivered in accordance with this section.

9. THIRD PARTY BENEFICIARIES. This Agreement is solely for the benefit of the Parties and their respective successors and assigns, and no right or cause of action shall accrue upon, or by reason of, this Agreement to or for the benefit of any other person or entity. Nothing in this Agreement, whether express or implied, is intended to, or may be construed to, confer upon any person or entity other than the Parties and their respective successors and assigns, any right, remedy or claim under or by reason of this Agreement or any of the provisions or conditions of this Agreement; and all of the provisions, representations, covenants, and conditions contained in this Agreement shall inure solely to the benefit of, and shall be binding upon, the Parties and their respective successors and assigns.

10. ASSIGNMENT. Neither Party may assign this Agreement or the right to receive any money due or to become due under or pursuant to this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld.

11. APPLICABLE LAW AND VENUE. This Agreement and the provisions contained herein shall be construed, interpreted and controlled according to the laws of the State of Florida. Each party consents that the venue for any litigation arising out of or related to this Agreement shall be Flagler County, Florida.

12. EFFECTIVE DATE. This Agreement shall be effective only upon execution by all Parties hereto.

13. PUBLIC RECORDS. The Parties understand and agree that all documents of any kind provided to or for the District in connection with this Agreement may be public records and treated as such in accordance with Florida law.

14. LIMITATIONS ON GOVERNMENTAL LIABILITY. Nothing in this Agreement shall be deemed as a waiver of immunity or limits of liability of the District or its directors or agents, beyond any statutory limited waiver of immunity or limits of liability which may have been adopted by the Florida Legislature in Section 768.28, *Florida Statutes*, or other statute, and nothing in this Agreement shall inure to the benefit of any third party for the purpose of allowing any claim which would otherwise be barred under the Doctrine of Sovereign Immunity or by operation of law.

15. SEVERABILITY. The invalidity or unenforceability of any one or more provisions of this Agreement shall not affect the validity or enforceability of the remaining portions of this Agreement, or any part of this Agreement not held to be invalid or unenforceable.

16. HEADINGS FOR CONVENIENCE ONLY. The descriptive headings in this Agreement are for convenience only and shall not control or affect the meaning or construction of any of the provisions of this Agreement.

17. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be an original; however, all such counterparts together shall constitute but one and the same instrument. Signature and acknowledgment pages, if any, may be detached from the counterparts and attached to a single copy of this document to physically form one document.

Any provision of this Agreement to the contrary notwithstanding, the Trustee has executed this Agreement only in its capacity as the trustee under the Indenture and only for the purpose of evidencing the consent of 100% of the beneficial owners of the Series 2008 Bonds to the transactions contemplated herein. Accordingly, the Trustee is not joining this Agreement for the purpose of being bound in its personal or individual capacity or for the purpose of contractually obligating itself to perform any obligation. Further, the Trustee shall not have any individual or personal liability under or related to this Agreement.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the Parties have executed this agreement effective as of the date first written above.

Witnesses:

DEER RUN COMMUNITY DEVELOPMENT DISTRICT, a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*

Witness Signature
Printed Name:_____

Chairperson, Board of Supervisors

Date signed:_____, 2017

Witness Signature
Printed Name:_____

Witnesses:

REGIONS BANK, an Alabama banking corporation

Witness Signature
Print:_____

By:_____
Print:_____
Its:_____

Date signed:_____, 2017

Witness Signature
Print:_____

Witnesses:

D.R. HORTON, INC. - JACKSONVILLE, a Delaware corporation

Witness Signature
Print:_____

By:_____
Print:_____
Its:_____

Date signed:_____, 2017

Witness Signature
Print:_____

- Exhibit A:** Bondholder Directive
- Exhibit B:** Delinquent Assessment Parcels
- Exhibit C:** Assessment Report
- Exhibit D:** Assessment Roll

H

**AGREEMENT BY AND BETWEEN DEER RUN COMMUNITY DEVELOPMENT
DISTRICT AND D.R. HORTON, INC. – JACKSONVILLE,
REGARDING THE COMPLETION OF CERTAIN IMPROVEMENTS**

THIS COMPLETION AGREEMENT (“Agreement”) is made and entered into this ____ day of September, 2017, by and between:

DEER RUN COMMUNITY DEVELOPMENT DISTRICT, a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*, and located in the City of Bunnell, Florida whose mailing address is 135 W. Central Boulevard, Suite 320, Orlando, Florida 32801 (the “District”); and

D.R. HORTON, INC. - JACKSONVILLE, a Delaware corporation and a landowner in the District, whose address is 4220 Race Track Road, Saint Johns, Florida 32259 (the “Landowner”).

RECITALS

WHEREAS, the District was established by ordinance adopted by the Board of City Commissioners in and for the City of Bunnell, Florida, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, *Florida Statutes*, as amended (the “Act”), and is validly existing under the Constitution and laws of the State of Florida; and

WHEREAS, the Act authorizes the District to issue bonds for the purpose, among others, of planning, financing, constructing, operating and/or maintaining certain infrastructure, including roadways, stormwater management systems, potable and reclaimed water and sewer systems and other infrastructure within or without the boundaries of the District; and

WHEREAS, the Landowner is the owner of certain lands located within the boundaries of the District (the “Landowner Lands”); and

WHEREAS, the District has adopted an improvement plan to finance the planning, design, acquisition, construction, and installation of certain infrastructure improvements, facilities, and services, as detailed in the *Supplemental Engineer’s Report* dated _____, 2017 (the “Engineer’s Report”), attached to hereto as **Exhibit A**, and hereinafter referred to as the “Series 2017 Project”; and

WHEREAS, the District intends to finance all or a portion of the Series 2017 Project through the anticipated issuance of its anticipated Deer Run Community Development District (City of Bunnell, Florida) Special Assessment Revenue and Refunding Bonds, Series 2017, in the principal amount of \$_____ (“Series 2017 Bonds”); and

WHEREAS, the District has imposed special assessments on certain lands within the District benefitting from the Series 2017 Project (“Series 2017 Assessment Area”), including the Landowner Lands, to secure repayment of its Series 2017 Bonds (the “Series 2017 Special Assessments”); and

WHEREAS, the Landowner has requested that the District limit the amount of Series 2017 Special Assessments imposed upon the lands within the Series 2017 Assessment Area; and

WHEREAS, in order to ensure that the Series 2017 Project is completed and funding is available in a timely manner to provide for its completion, the Landowner and the District hereby agree that the District will be obligated to issue no more than \$_____ in Series 2017 Bonds to fund the Series 2017 Project and the Landowner will make provision for any additional funds that may be needed in the future for the completion of the Series 2017 Project, over and above that amount including, but not limited to, all administrative, legal, warranty, engineering, permitting or other related soft costs; and

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

1. INCORPORATION OF RECITALS. The recitals stated above are true and correct and by this reference are incorporated by reference as a material part of this Agreement.

2. COMPLETION OF IMPROVEMENTS. The Landowner and District agree and acknowledge that the District's proposed Series 2017 Bonds may provide only a portion of the funds necessary to complete the improvements comprising the Series 2017 Project ("Improvements"). Therefore, the Landowner hereby agrees to provide funds or cause funds to be provided to the District in an amount sufficient to allow the District to complete those portions of the Improvements which may remain unfunded including, but not limited to, all administrative, legal, warranty, engineering, permitting or other related soft costs (collectively the "Remaining Improvements") whether pursuant to existing contracts, including change orders thereto, or future contracts. Nothing herein shall cause or be construed to require the District to issue additional bonds or indebtedness to provide funds for any portion of the Remaining Improvements. The District and Landowner hereby acknowledge and agree that the District's execution of this Agreement constitutes the manner and means by which any and all portions of the Remaining Improvements are to be funded and completed.

3. OTHER CONDITIONS AND ACKNOWLEDGMENTS

(a) The District and the Landowner agree and acknowledge that the exact location, size, configuration and composition of the Series 2017 Project may change from that described in the Engineer's Report, depending upon final design of the development, permitting or other regulatory requirements over time, or other factors. Material changes to the Improvements shall be made by a written amendment to the Series 2017 Project, which shall include an estimate of the cost of the changes. Material changes to the Series 2017 Project shall require the prior written consent of the Trustee acting at the direction of the Bondholders owning a majority of the aggregate principal amount of the Series 2017 Bonds then outstanding.

(b) The District and the Landowner acknowledge and agree that the provision of funds under this Agreement will be considered a contribution in lieu of the imposition of special assessments upon the Landowner Lands benefitted by the Series 2017 Project.

(c) Notwithstanding anything to the contrary contained in this Agreement, the payment or performance by Landowner of its obligations hereunder is expressly subject to, dependent and conditioned upon (a) the issuance of \$_____ par amount of Series 2017 Bonds and use of the proceeds thereof to fund all or a portion of the Series 2017 Project, and (b) the scope, configuration, size and/or composition of the Series 2017 Project not materially changing without the consent of the Landowner. Such consent is not necessary and the Landowner must meet the completion obligations, or cause them to be met, when the scope, configuration, size and/or composition of the Series 2017 Project is materially changed in response to a requirement imposed by a regulatory agency.

(d) The District and Landowner agree and acknowledge that any and all portions of the Remaining Improvements which are constructed, or caused to be constructed, by the Landowner shall be conveyed to the District or such other appropriate unit of local government as is designated in the Engineer's Report or required by governmental regulation or development approval. All conveyances to another governmental entity shall be in accordance with and in the same manner as provided in any agreement between the District and the appropriate unit of local government. The District and Landowner further agree and acknowledge that any and all real property upon which the Improvements are constructed or which is necessary for proper access to and use of such Improvements shall be dedicated to the District without cost.

4. DEFAULT AND PROTECTION AGAINST THIRD PARTY INTERFERENCE. A default by either party under this Agreement shall entitle the other to all remedies available at law or in equity, which may include, but not be limited to, the right of actual damages and/or specific performance, but excluding special, consequential or punitive damages. Except as expressly otherwise provided in this Agreement, the District shall be solely responsible for enforcing its rights under this Agreement against any interfering third party. Except as expressly otherwise provided in this Agreement, nothing contained in this Agreement shall limit or impair the District's right to protect its rights under this Agreement from interference by a third party.

5. ENFORCEMENT OF AGREEMENT. In the event that either party is required to enforce this Agreement by court proceedings or otherwise, then the parties agree that the prevailing party shall be entitled to recover from the other all fees and costs incurred, including reasonable attorneys' fees and costs for trial, alternative dispute resolution, or appellate proceedings.

6. AMENDMENTS. Amendments to and waivers of the provisions contained in this Agreement may be made only by an instrument in writing which is executed by both the District and the Landowner. This Agreement may not be amended without the prior written consent of the Trustee and the Bondholders owning a majority of the aggregate principal amount of the Series 2017 Bonds then outstanding.

7. **AUTHORIZATION.** The execution of this Agreement has been duly authorized by the appropriate body or official of the District and the Landowner, both the District and the Landowner have complied with all the requirements of law, and both the District and the Landowner have full power and authority to comply with the terms and provisions of this Agreement.

8. **NOTICES.** All notices, requests, consents and other communications under this Agreement ("**Notices**") shall be in writing and shall be delivered, mailed by First Class Mail, postage prepaid, or overnight delivery service, to the parties, as follows:

- A. If to the District: Deer Run Community
Development District
135 W. Central Boulevard, Suite 320
Orlando, Florida 32801
Attn: District Manager
- With a copy to: Hopping Green & Sams, P.A.
119 South Monroe Street, Suite 300
Post Office Box 6526
Tallahassee, Florida 32314
Attn: Roy Van Wyk
- B. If to Landowner: D.R. Horton, Inc. - Jacksonville
4220 Race Track Road,
Saint Johns, Florida 32259
Attn: Bob Porter
- With a copy to: Hopping Green & Sams, P.A.
119 South Monroe Street, Suite 300
Tallahassee, Florida 32301
Attn: Brian Crumbaker
- And copy to: D.R. Horton, Inc.
12602 Telecom Drive
Tampa, Florida 33637
Attn: Paul Romanowski, Florida Region President
- D.R. Horton, Inc.
1341 Horton Circle
Arlington, Texas 76011
Attn: Ted I. Harbour, Chief Legal Counsel
- D.R. Horton, Inc.
12602 Telecom Drive
Tampa, Florida 33637
Attn: Charbel J. Barakat, Chief Counsel

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

9. ARM'S LENGTH TRANSACTION. This Agreement has been negotiated fully between the District and the Landowner as an arm's length transaction. Both parties participated fully in the preparation of this Agreement and received the advice of counsel. In the case of a dispute concerning the interpretation of any provision of this Agreement, both parties are deemed to have drafted, chosen, and selected the language, and the doubtful language will not be interpreted or construed against either the District or the Landowner.

10. THIRD PARTY BENEFICIARIES. Except as otherwise provided in this Section 10 with respect to Trustee, this Agreement is solely for the benefit of the District and the Landowner and no right or cause of action shall accrue upon or by reason, to or for the benefit of any third party not a formal party to this Agreement. Except as otherwise provided in this Section 10 with respect to Trustee, nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person or entity other than the District and the Landowner any right, remedy, or claim under or by reason of this Agreement or any of the provisions or conditions of this Agreement; and all of the provisions, representations, covenants, and conditions contained in this Agreement shall inure to the sole benefit of and shall be binding upon the District and the Landowner and their respective representatives, successors, and assigns. Notwithstanding anything herein to the contrary, the Trustee for the Series 2017 Bonds, on behalf of the owners of the Series 2017 Bonds, shall be a direct third party beneficiary of the terms and conditions of this Agreement and shall be entitled to enforce the Landowner's obligations hereunder. The Trustee shall not be deemed to have assumed any obligations hereunder.

11. ASSIGNMENT. Neither the District nor the Landowner may assign this Agreement or any monies to become due hereunder without the prior written approval of the other and the Trustee and Bondholders owning a majority of the aggregate principal amount of the Series 2017 Bonds then outstanding. Such consent shall not be required in the event of a sale of the majority of the Landowner Lands then owned by the Landowner pursuant to which the unaffiliated purchaser agrees to assume any remaining obligations of the Landowner under this Agreement.

12. APPLICABLE LAW AND VENUE. This Agreement and the provisions contained herein shall be construed, interpreted and controlled according to the laws of the State of Florida. Each party consents that the venue for any litigation arising out of or related to this Agreement

shall be Flagler County, Florida.

13. EFFECTIVE DATE. This Agreement shall be effective after execution by both the District and the Landowner.

14. PUBLIC RECORDS. The Landowner understands and agrees that all documents of any kind provided to the District in connection with this Agreement may be public records and treated as such in accordance with Florida law.

15. SEVERABILITY. The invalidity or unenforceability of any one or more provisions of this Agreement shall not affect the validity or enforceability of the remaining portions of this Agreement, or any part of this Agreement not held to be invalid or unenforceable.

16. LIMITATIONS ON GOVERNMENTAL LIABILITY. Nothing in this Agreement shall be deemed as a waiver of immunity or limits of liability of the District beyond any statutory limited waiver of immunity or limits of liability which may have been adopted by the Florida Legislature in Section 768.28, *Florida Statutes*, or other statute, and nothing in this Agreement shall inure to the benefit of any third party for the purpose of allowing any claim which would otherwise be barred under the Doctrine of Sovereign Immunity or by operation of law.

17. HEADINGS FOR CONVENIENCE ONLY. The descriptive headings in this Agreement are for convenience only and shall not control nor affect the meaning or construction of any of the provisions of this Agreement.

18. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be an original; however, all such counterparts together shall constitute, but one and the same instrument. Signature and acknowledgment pages, if any, may be detached from the counterparts and attached to a single copy of this document to physically form one document.

[REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK.]

IN WITNESS WHEREOF, the Parties execute this Agreement the day and year first written above.

Attest:

**DEER RUN COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

Chairperson, Board of Supervisors

Witnesses:

D.R. HORTON, INC. - JACKSONVILLE, a Delaware
corporation

By: _____

Name: _____

Name: _____

Exhibit A: *Supplemental Engineer's Report* dated _____, __ 2017

Exhibit A

Supplemental Engineer's Report dated as _____, 2017

This instrument was prepared by and
upon recording should be returned to:

(This space reserved for Clerk)

Roy Van Wyk, Esq.
HOPPING GREEN & SAMS, P.A.
119 South Monroe Street, Suite 300
Tallahassee, Florida 32301

COLLATERAL ASSIGNMENT AND ASSUMPTION OF DEVELOPMENT RIGHTS RELATING TO THE SERIES 2017 PROJECT

This **COLLATERAL ASSIGNMENT AND ASSUMPTION OF DEVELOPMENT RIGHTS RELATING TO THE SERIES 2017 PROJECT** (herein, the “**Assignment**”), is made this ___ day of September, 2017, by **D.R. HORTON, INC. - JACKSONVILLE**, a Delaware corporation (together with its successors and assigns, the “**Landowner**”), in favor of the **DEER RUN COMMUNITY DEVELOPMENT DISTRICT**, a local unit of special purpose government organized and created under the laws of the State of Florida, located in the City of Bunnell, Florida (together with its successors and assigns, the “**District**”).

RECITALS

WHEREAS, Landowner is the owner of a portion of the real property within the District, as more particularly described in **Exhibit A** attached hereto (“**Property**”); and

WHEREAS, the District proposes to issue its Deer Run Community Development District (City of Bunnell, Florida) Special Assessment Revenue and Refunding Bonds, Series 2017 (“**Series 2017 Bonds**”), to finance certain improvements which will benefit all of the Property; and

WHEREAS, among the security for the repayment of the Series 2017 Bonds are the special assessments, levied against the Property, or portions thereof (“**Series 2017 Special Assessments**”); and

WHEREAS, the parties intend the Property will be platted and fully developed into a total of _____ (____) residential units (“**Lots**”), and the lots owned by the unaffiliated homebuilders or will be sold to homebuyers (“**Development Completion**”), as contemplated by the *Master Assessment Methodology*, dated July 26, 2017, as amended by the *Supplemental Assessment Methodology* dated _____, 2017 as (all of such Lots and associated improvements being referred to herein as the “**Development**”); and

WHEREAS, the portion of the capital improvement project of the District which is being financed with the proceeds of the Series 2017 Bonds is described in the *Supplemental Engineer’s Report* dated as _____, 2017 (the “**Engineer’s Report**”), and is referred to as the “**Series 2017 Project**”; and

WHEREAS, in the event of default in the payment of the Series 2017 Special Assessments securing the Series 2017 Bonds or in the payment of a True-Up Obligation (as defined in the Agreement between the Deer Run Community Development District and Landowner Regarding True-Up As to Series 2017 Special Assessments, or in the event of any other Event of Default (as defined herein), the District requires, in addition to the remedies afforded the District under the Master Trust Indenture dated May 1, 2008 (the “Master Indenture”), as supplemented by a Second Supplemental Trust Indenture dated September 1, 2017 (the “Second Supplemental Indenture” and, together with the Master Indenture the “Indenture”), pursuant to which the Series 2017 Bonds are being issued, and the other agreements being entered into by Landowner concurrent herewith with respect to the Series 2017 Bonds and the Series 2017 Special Assessments (the Indentures and agreements being referred to collectively as the “Bond Documents,” and such remedies being referred to collectively as the “Remedial Rights”), certain remedies with respect to the Development Rights (defined below) in order to complete or enable a third party to complete development of the Series 2017 Project.

NOW, THEREFORE, in consideration of the above recitals and other good and valuable consideration, the sufficiency of which is acknowledged, Landowner and District agree as follows:

1. **Recitals; Exhibits.** The foregoing recitals are true and correct and, together with the exhibits attached hereto, are hereby incorporated herein by this reference.

2. **Collateral Assignment.**

(a) Subject to the terms and conditions of this Assignment, Landowner hereby collaterally assigns to the District, to the extent assignable, all of Landowner’s development rights, permits, entitlements and work product relating to development of the Series 2017 Project, and Landowner’s rights as declarant of any property owner or homeowner association with respect to the Property (collectively, the “Development Rights”), as security for Landowner’s payment and performance of all of its obligations arising under the Bond Documents, including, without limitation, payment of the Series 2017 Special Assessments levied against the Property owned by Landowner from time to time, and any True-Up Obligation. The Development Rights shall include, without limitation, the items listed in subsections (i) through (viii) below as they pertain to development of the Series 2017 Project, but shall specifically exclude any portion of the Development Rights which relate solely to (x) Lots which have been or are conveyed to unaffiliated homebuilders or homebuyers effective as of such conveyance, (y) any portion of the Property which has been transferred, dedicated and/or conveyed, or is in the future conveyed, to the city, county, the District, any homebuilder, any utility provider, governmental or quasi-governmental entity, any homeowner’s or property owner’s association or other governing entity or association as may be required by applicable permits, approvals, plats or entitlements or regulations affecting the District, if any, in each case effective as of such transfer, conveyance and/or dedication, as applicable, or (z) Lots conveyed to end user residents:

(i) Zoning approvals, density approvals and entitlements, concurrency and capacity certificates, and development agreements;

(ii) Engineering and construction plans and specifications for grading, roadways, site drainage, storm water drainage, signage, water distribution, waste water collection, recreational facilities and other improvements;

(iii) Preliminary and final site plans and plats;

(iv) Architectural plans and specifications for recreational buildings and other improvements to the developable property within the District;

(v) Permits, approvals, resolutions, variances, licenses, and franchises granted by governmental authorities, or any of their respective agencies, for or affecting the Series 2017 Project or the construction of improvements thereon or off-site to the extent such off-site improvements are necessary or required to complete the Series 2017 Project;

(vi) Contracts with engineers, architects, land planners, landscape architects, consultants, contractors, and suppliers for or relating to the construction of the Series 2017 Project or the construction of improvements thereon;

(vii) All prepaid impact fees and impact fee credits; and

(viii) All future creations, changes, extensions, revisions, modifications, substitutions, and replacements of any of the foregoing.

(b) This Assignment is not intended to and shall not impair or interfere with the development of the Property, including, without limitation, Landowner's contracts with homebuilders, if any, and homebuyers (collectively, "Sales Contracts"), and shall only be inchoate and shall become an effective and absolute assignment and assumption of the Development Rights, from time to time, only upon the District's exercise of its rights hereunder upon a failure of Landowner to pay the Series 2017 Special Assessments levied against the portion of Property owned by the Landowner, from time to time, failure of Landowner to satisfy a True-Up Obligation, or any other Event of Default hereunder. The District shall not be deemed to have assumed any obligations associated with the Development Rights unless and until the District exercises its rights under this Assignment, and then only to the extent of such exercise.

(c) If this Assignment has not become absolute, it shall automatically terminate upon the earliest to occur of the following events: (i) payment in full of the principal and interest associated with the Series 2017 Bonds; (ii) Development Completion; (iii) transfer of any Development Rights to the city, the county, the State, the District, any utility provider, any other governmental or quasi-governmental entity, or any homeowners' or property owner's association but only to the extent of such transfer; or (iv) transfer of any portion of the Property to a homebuilder or homebuyer but only as to such portion transferred, from time to time.

3. **Warranties by Landowner.** Landowner represents and warrants to the District that, subject to the Sales Contracts:

(a) Landowner is not prohibited under any agreement with any other person or under any judgment or decree from the execution, delivery and performance of this Assignment.

(b) No action has been brought or threatened which would in any way interfere with the right of Landowner to execute this Assignment and perform all of Landowner's obligations herein contained.

(c) Any transfer, conveyance or sale of the Property shall subject any and all affiliated entities or successors-in-interest of the Landowner as to the Property or any portion thereof, to this Assignment to the extent of the portion of the Property so conveyed, except to the extent described in Section 2 above.

4. **Covenants.** Landowner covenants with the District that for so long as this Assignment shall remain in effect pursuant to the terms hereof:

(a) Landowner will use reasonable, good faith efforts to (i) fulfill, perform, and observe each and every material condition and covenant of Landowner relating to the Development Rights, and (ii) give notice to District of any default with respect to any of the Development Rights.

(b) The Development Rights include all of Landowner's rights to modify the Development Rights, to terminate the Development Rights, and to waive or release the performance or observance of any obligation or condition of the Development Rights; provided, however, that this Assignment does not and shall not (i) pertain to lands outside of the District not relating or necessary to development of the Series 2017 Project, or (ii) limit Landowner's right, from time to time, to modify, waive or release the Development Rights, subject to Section 4(c) below and Landowner's obligations under the Bond Documents.

(c) Landowner agrees not to take any action that would decrease the development entitlements to a level below the amount necessary to support the then-outstanding Series 2017 Bonds or would materially impair or impede the ability to achieve Development Completion.

5. **Events of Default.** Any breach of the Landowner's warranties contained in Section 3 hereof, any breach of covenants contained in Section 4 hereof which is not cured within sixty (60) days after receipt of written notice thereof, or any breach of Landowner under any other Bond Documents, which default is not cured within any applicable cure period, will constitute an "Event of Default" under this Assignment.

6. **Remedies Upon Default.** Upon an Event of Default, or the transfer of title to any portion of the Property owned by Landowner to the District or its designee pursuant to a judgment of foreclosure entered by a court of competent jurisdiction or a deed in lieu of foreclosure to the District or its designee or the acquisition of title to such property through the sale of tax certificates, the District may, as the District's sole and exclusive remedies under this Assignment, take any or all of the following actions, at the District's option:

(a) Perform or cause to be performed any and all obligations of Landowner relating to the Development Rights and exercise or cause to be exercised any and all rights of Landowner therein as fully as Landowner could; and

(b) Initiate, appear in, or defend any action arising out of or affecting the Development Rights; and

(c) Further assign any and all of the Development Rights to a third party acquiring title to the Property or any portion thereof from the District or at a District foreclosure sale.

7. **Authorization.** In the Event of Default, Landowner does hereby authorize and shall direct any party to any agreement relating to the Development Rights to tender performance thereunder to the District upon written notice and request from the District. Any such performance in favor of the District shall constitute a full release and discharge to the extent of such performance as fully as though made directly to Landowner. Notwithstanding the foregoing or anything to the contrary set forth in this Assignment, no exercise by the District or the District's rights under this Assignment shall operate to release the Landowner from its obligations under this Assignment.

8. **Third Party Beneficiaries.** The parties hereto agree that the trustee under the Indenture ("Trustee"), on behalf of the bondholders, shall be a direct third party beneficiary of the terms and conditions of this Assignment, and entitled to enforce the Landowner's obligations hereunder at the direction of the bondholders owning a majority of the aggregate principal amount of the Series 2017 Bonds then-outstanding. The Trustee shall not be deemed by virtue of this Assignment to have assumed any obligations or duties.

9. **Amendment.** This Assignment may be modified in writing only by the mutual agreement of all parties hereto. This Assignment may not be amended without the prior written consent of the Trustee acting on behalf and at the direction of the bondholders owning a majority of the aggregate principal amount of the Series 2017 Bonds then-outstanding.

10. **Miscellaneous.** Unless the context requires otherwise, whenever used herein, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders. The terms "person" and "party" shall include individuals, firms, associations, joint ventures, partnerships, estates, trusts, business trusts, syndicates, fiduciaries, corporations, and all other groups and combinations. Titles of paragraphs contained herein are inserted only as a matter of convenience and for reference and in no way define, limit, extend, or describe the scope of this Assignment or the intent of any provisions hereunder. This Assignment shall be construed under Florida law.

11. **Applicable Law and Venue.** This Agreement and the provisions contained herein shall be construed, interpreted and controlled according to the laws of the State of Florida. Each party consents that the venue for any litigation arising out of or related to this Agreement shall be Flagler County.

12. **Counterparts.** This instrument may be executed in any number of counterparts, each of which when executed and delivered shall constitute an original, and such counterparts together shall constitute one and the same instrument. Signature and acknowledgment pages, if any, may be detached from the counterparts and attached to a single copy of this document to physically form one document.

[REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, Landowner and District have caused this Assignment to be executed and delivered on the day and year first written above.

Witnesses:

D.R. HORTON, INC. - JACKSONVILLE, a Delaware corporation

By: _____

Name: _____

Name: _____

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 2017, by _____, as an authorized representative of D.R. Horton, Inc. - Jacksonville, a Delaware corporation, on behalf of the company. He is personally known to me or who has produced _____ (type of identification) as identification.

NOTARY PUBLIC, STATE OF FLORIDA

(Print, Type or Stamp Commissioned Name of Notary Public)

Witnesses:

**DEER RUN COMMUNITY
DEVELOPMENT DISTRICT**

Name: _____

Chairperson, Board of Supervisors

Name: _____

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by _____, as Chairperson, Board of Supervisors of the Deer Run Community Development District. He is personally known to me; or has produced _____ (type of identification), as identification.

NOTARY PUBLIC, STATE OF FLORIDA

(Print, Type or Stamp Commissioned Name of Notary Public)

Exhibit A: Legal Description of Property

Exhibit A
Legal Description of Property

This instrument was prepared by and
upon recording should be returned to:

(This space reserved for Clerk)

Roy Van Wyk, Esq.
HOPPING GREEN & SAMS, P.A.
119 South Monroe Street, Suite 300
Tallahassee, Florida 32301

**AGREEMENT BETWEEN THE DEER RUN COMMUNITY DEVELOPMENT
DISTRICT AND D.R. HORTON, INC. - JACKSONVILLE REGARDING TRUE-UP AS
TO SERIES 2017 SPECIAL ASSESSMENTS**

THIS TRUE UP AGREEMENT is made and entered into this ___ day of September, 2017, by
and between:

DEER RUN COMMUNITY DEVELOPMENT DISTRICT, a local unit of special-
purpose government established pursuant to Chapter 190, Florida Statutes, and
located in the City of Bunnell, Florida whose mailing address is 135 W. Central
Boulevard, Suite 320, Orlando, Florida 32801 (the “District”), and

D.R. HORTON, INC. - JACKSONVILLE, a Delaware corporation and a landowner in
the District whose address is 4220 Race Track Road, Saint Johns, Florida 32259,
and its successors and assigns (the “Landowner”; and together with the District,
the “Parties”).

RECITALS

WHEREAS, the District was established by an ordinance adopted by the Board of City
Commissioners of the City of Bunnell, Florida, pursuant to the Uniform Community
Development District Act of 1980, Chapter 190, *Florida Statutes*, as amended (the “Act”), and is
validly existing under the Constitution and laws of the State of Florida; and

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

WHEREAS, Landowner is the owner of certain lands within the boundaries of the District
(“Landowner Lands”), which lands are described in **Exhibit A**, and which are a portion of the
Series 2017 Assessment Area (defined below); and

WHEREAS, the District has adopted an improvement plan to finance the planning, design,
acquisition, construction, and installation of certain infrastructure improvements, facilities, and
services, as detailed in the *Supplemental Engineer’s Report* dated _____, 2017 (the
“Engineer’s Report”), attached to this Agreement as **Exhibit B**, and is referred to as the “Series
2017 Project”, and the anticipated costs of the Series 2017 Project are described in the
Engineer’s Report; and

WHEREAS, the District intends to finance all or a portion of the Series 2017 Project through the anticipated issuance of its Deer Run Community Development District (City of Bunnell, Florida) Special Assessment Revenue and Refunding Bonds, Series 2017, in the principal amount of \$_____ (the “Series 2017 Bonds”); and

WHEREAS, pursuant to Resolutions 2017-__, 2017-__, 2017-__, and 2017-__ (the “Assessment Resolutions”), the District imposed special assessments on certain lands within the District, including the Landowner Lands (the “Series 2017 Assessment Area”) to secure the repayment of the Series 2017 Bonds (the “Series 2017 Special Assessments”); and

WHEREAS, Landowner agrees that all lands within the Series 2017 Assessment Area, including the Landowner Lands, benefit from the timely design, construction, or acquisition of the improvements comprising the Series 2017 Project; and

WHEREAS, Landowner agrees that the Series 2017 Special Assessments which were imposed on the Series 2017 Assessment Area within the District, including the Landowner Lands, have been validly imposed and constitute valid, legal and binding liens upon the Series 2017 Assessment Area, which Series 2017 Special Assessments remain unsatisfied; and

WHEREAS, to the extent permitted by law, Landowner waives any defect in notice or publication or in the proceedings to levy, impose and collect the Series 2017 Special Assessments on the Series 2017 Assessment Area within the District; and

WHEREAS, the *Master Assessment Methodology*, dated July 26, 2017, as amended by the *Supplemental Assessment Methodology* dated _____, 2017 (the “Assessment Report”), provides that as the Series 2017 Assessment Area lands within the District are platted, the allocation of the amounts assessed to and constituting a lien upon the Series 2017 Assessment Area lands within the District would be calculated based upon certain density assumptions relating to the number of single-family units to be constructed on Series 2017 Assessment Area lands within the District, which assumptions were provided by Landowner; and

WHEREAS, Landowner intends that the Series 2017 Assessment Area lands within the District will be platted, planned and developed based on then-existing market conditions, and the actual densities developed may be at some density less than the densities assumed in the District's Assessment Report; and

WHEREAS, the District's Assessment Report anticipates a mechanism by which Landowner shall, if required, make certain payments to the District in order to satisfy, in whole or in part, the assessments allocated and the liens imposed pursuant to the Assessment Resolutions, the amount of such payments being determined generally by a calculation of the remaining unallocated debt prior to the recording of the final plat or site plan for a parcel or tract, as described in the District's Assessment Report (which payments shall collectively be referenced as the “True-Up Payment”); and

WHEREAS, Landowner and the District desire to enter into an agreement to confirm Landowner's intention and obligation, if required, to make the True-Up Payment related to the Series 2017 Special Assessments, subject to the terms and conditions contained herein.

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

SECTION 1. RECITALS. The recitals so stated are true and correct and by this reference are incorporated into and form a material part of this Agreement.

SECTION 2. COVENANTS.

A. The provisions of this Agreement shall constitute a covenant running with the Landowner Lands and shall remain in full force and effect and be binding upon the Landowner, its heirs, legal representatives, estates, successors, grantees, and assigns until released pursuant to the terms herein.

B. Landowner agrees that to the extent Landowner fails to timely pay all Series 2017 Special Assessments collected by mailed notice of the District, said unpaid Series 2017 Special Assessments (including True-Up Payments), may be placed on the tax roll by the District for collection by the Tax Collector pursuant to Section 197.3632, *Florida Statutes*, in any subsequent year.

SECTION 3. SPECIAL ASSESSMENT REALLOCATION.

A. *Assumptions as to the Series 2017 Special Assessments.* As of the date of the execution of this Agreement, Landowner has informed the District that Landowner anticipates that a total of ____ (____) single-family residential dwelling units, as more specifically set forth in the Assessment Report, will be constructed with the Series 2017 Assessment Area, and that _____ (____) of those single-family residential dwelling units will be constructed within the Landowner Lands..

B. *Process for Reallocation of Assessments.* The Series 2017 Special Assessments will be reallocated among the lands within the Series 2017 Assessment Area as the Series 2017 Assessment Area lands are platted (hereinafter referred to as “Reallocation”). In connection with such platting of acreage, the Series 2017 Special Assessments imposed on the acreage being platted will be allocated based upon the actual number of units within the acreage being platted. In furtherance thereof, at such time as acreage is to be platted, Landowner covenants that such plat shall be presented to the District. The District shall allocate the Series 2017 Special Assessments to the number of units being platted and the remaining property in accordance with the District’s Assessment Report and shall cause such Reallocation to be recorded in the District’s Improvement Lien Book.

(i) It is an express condition of the liens established by the Assessment Resolutions that any and all plats containing any portion of the Series 2017 Assessment Area within the District owned by Landowner shall be presented to the District for review and allocation of the Series 2017 Special Assessments to the units being platted and the remaining property within the Landowner Lands in accordance with the Assessment Report. Landowner

covenants to comply with this requirement for the Reallocation. The District agrees that no further action by the Board of Supervisors shall be required. The District's review of the plats shall be limited solely to the Reallocation of Series 2017 Special Assessments and enforcement of the District's assessment liens. Nothing herein shall in any way operate to or be construed as providing any other plat and plan approval or disapproval powers to the District.

(ii) The purpose of the True-Up calculation is to ensure that the bond debt will be able to be assigned to at least _____ (____) platted units within the Series 2017 Assessment Area. Thus, at the time of platting of the Series 2017 Assessment Area there must be at least _____ (____) platted units to assign the bond debt to. If not, the District would require a True-Up Payment from the Landowner or the person or entity seeking to file such plat in an amount sufficient to reduce the remaining bond debt to the actual number of units platted as in the par amount per platted lot as set forth in Exhibit A to the Assessment Report.

(iii) As acreage within the Series 2017 Assessment Area is platted (each such date being a "True-Up Date"), the District shall determine if the debt per developable acre remaining on the unplatted lands within the Landowner Lands exceeds the maximum debt per developable acre for the Series 2017 Special Assessments, and if it is, a debt reduction payment in the amount of such excess debt per developable acre (the "True-Up Payment") shall become immediately due and payable by Landowner that tax year in accordance with the District's Assessment Report, in addition to the regular assessment installment payable for lands owned by the Landowner. The District will ensure collection of such amounts in a timely manner in order to meet its debt services obligations, and in all cases, Landowner agrees that such payments shall be made in order to ensure the District's timely payments of the debt services obligations on the Series 2017 Bonds. The District shall record all True-Up Payments in its Improvement Lien book. If such True-Up Payment is made at least forty five (45) days prior to an interest payment date on the Series 2017 Bonds, the Landowner shall include accrued interest as part of the True-Up Payment to such interest payment date. If such True-Up Payment becomes due within forty five (45) days of the next interest payment date, accrued interest shall be calculated to the next succeeding interest payment date.

(iv) The foregoing is based on the District's understanding with Landowner that Landowner will plat or cause to be platted at least _____ (____) residential dwelling units within the Landowner Lands as identified in the Assessment Report and Engineer's Report. However, the District agrees that nothing herein prohibits more or less than the anticipated residential dwelling units from being platted. In no event shall the District collect Series 2017 Special Assessments pursuant to the Assessment Resolutions in excess of the total debt service related to the Series 2017 Project, including all costs of financing and interest. The District, however, may collect Series 2017 Special Assessments in excess of the annual debt service related to the Series 2017 Project, including all

costs of financing and interest, which shall be applied to prepay the Series 2017 Bonds. If the strict application of the True-Up methodology to any Reallocation for any plat pursuant to this paragraph would result in Series 2017 Special Assessments collected in excess of the District's total debt service obligation for the Series 2017 Project, the District agrees to take appropriate action by resolution to equitably Reallocate the assessments.

SECTION 4. ENFORCEMENT. This Agreement is intended to be an additional method of enforcement of Landowner's obligation to pay the Series 2017 Special Assessments and to abide by the requirements of the Reallocation of Series 2017 Special Assessments, including the making of the True-Up Payment, if any, as set forth in the Assessment Resolutions. A default by any Party under this Agreement shall entitle any other Party to all remedies available at law or in equity, but excluding special, consequential or punitive damages.

SECTION 5. RECOVERY OF COSTS AND FEES. In the event any party is required to enforce this Agreement by court proceedings or otherwise, then the prevailing party, as determined by the applicable court or other dispute resolution provider, shall be entitled to recover from the non-prevailing party all fees and costs incurred, including reasonable attorneys' fees and costs incurred prior to or during any litigation or other dispute resolution and including all fees and costs incurred in appellate proceedings.

SECTION 6. NOTICE. All notices, requests, consents and other communications hereunder ("**Notices**") shall be in writing and shall be delivered, mailed by First-Class Mail, postage prepaid, by overnight delivery service, or electronic or hand delivered to the parties, as follows:

A. If to the District: Deer Run Community
Development District
135 W. Central Boulevard, Suite 320
Orlando, Florida 32801
Attn: District Manager

With a copy to: Hopping Green & Sams, P.A.
119 South Monroe Street, Suite 300
Post Office Box 6526
Tallahassee, Florida 32314
Attn: Roy Van Wyk

B. If to Landowner: D.R. Horton, Inc., - Jacksonville
4220 Race Track Road,
Saint Johns, Florida 32259
Attn: Bob Porter

With a copy to: Hopping Green & Sams, P.A.
119 South Monroe Street, Suite 300
Tallahassee, Florida 32301
Attn: Brian Crumbaker

And copy to: D.R. Horton, Inc.
12602 Telecom Drive
Tampa, Florida 33637
Attn: Paul Romanowski, Florida Region President

D.R. Horton, Inc.
1341 Horton Circle
Arlington, Texas 76011
Attn: Ted I. Harbour, Chief Legal Counsel

D.R. Horton, Inc.
12602 Telecom Drive
Tampa, Florida 33637
Attn: Charbel J. Barakat, Chief Counsel

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

Notwithstanding the foregoing, to the extent Florida law requires notice to enforce the collection of any assessments placed on the lands within the Series 2017 Assessment Area by the District, then the provision of such notice shall be in lieu of any additional notice required by this Agreement.

SECTION 7. ASSIGNMENT.

A. Landowner may not assign its duties or obligations under this Agreement except in accordance with the terms of this Section 7(C) below. This Agreement shall constitute a covenant running with title to the Landowner Lands, binding upon Landowner and its successors and assigns including, without limitation, the Buyer and its successors and assigns as to the

Landowner Lands or portions thereof, and any transferee of any portion of the Landowner Lands, but shall not be binding upon transferees permitted by Sections 7(B)(i), (ii) or (iii) below.

B. No portion of the Landowner Lands may be transferred to any third party without complying with the terms of Section 7(C) below, other than:

- (i) Platted and fully-developed lots to homebuilders restricted from replatting.
- (ii) Platted and fully-developed lots to end users.
- (iii) Portions of the Landowner Lands exempt from assessments to the City, County, the District, or other governmental agencies.

Any transfer of any portion of the Landowner Lands pursuant to subsections (i), (ii) or (iii) of this Section 7(B) shall constitute an automatic release of such portion of the Landowner Lands from the scope and effect of this Agreement; provided however, that any True-Up Payment owing is paid prior to such transfer.

C. Landowner shall not transfer any portion of the Landowner Lands to any third party, except as permitted by Sections 7(B)(i), (ii) or (iii) above, without satisfying the following conditions (“Transfer Conditions”): (i) delivering a recorded copy of this Agreement to such third party; and (ii) satisfying any True-Up Payment that results from a True-Up analysis that will be performed by the District Manager prior and as a condition to such transfer. Any transfer that is consummated pursuant to this Section 7(C) shall operate as a release of Landowner from its obligations under this Agreement as to such portion of the Landowner Lands only arising from and after the date of such transfer and satisfaction of all of the Transfer Conditions including payment of any True-Up Payment due pursuant to subsection (ii) above, and the transferee shall be deemed to have assumed Landowner’s obligations in accordance herewith and shall be deemed the “Landowner” from and after such transfer for all purposes as to such portion of the Landowner Lands so transferred. Regardless of whether the condition of this subsection is met, any transferee, other than those specified in subsection B., above, shall take title subject to the terms of this Agreement.

SECTION 8. AMENDMENT. This Agreement shall constitute the entire agreement between the parties as to the matters set forth herein and may be modified in writing only by the mutual agreement of the parties and with the prior written consent of the Trustee of the Series 2017 Bonds, acting at the direction of the Bondholders owning a majority of the aggregate principal amount of the Series 2017 Bonds then outstanding.

SECTION 9. TERMINATION. This Agreement shall continue in effect until it is rescinded in writing by the mutual assent of the parties and with the prior written consent of the Trustee of the Series 2017 Bonds, acting at the direction of the Bondholders owning a majority of the aggregate principal amount of the Series 2017 Bonds then outstanding.

SECTION 10. NEGOTIATION AT ARM'S LENGTH. This Agreement has been negotiated fully between the Parties as an arm's length transaction. The Parties participated fully in the preparation of this Agreement and received the advice of counsel. In the case of a dispute concerning the interpretation of any provision of this Agreement, The Parties are deemed to have drafted, chosen and selected the language, and the doubtful language will not be interpreted or construed against either party.

SECTION 11. THIRD PARTY BENEFICIARIES. This Agreement is solely for the benefit of the District and the Landowner and no right or cause of action shall accrue upon or by reason, to or for the benefit of any third party not a formal party to this Agreement. Except as provided in the immediately succeeding sentence, nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person or entity other than the District and the Landowner any right, remedy or claim under or by reason of this Agreement or any provisions or conditions of this Agreement; and all of the provisions, representations, covenants and conditions contained in this Agreement shall inure to the sole benefit of and shall be binding upon the District and the Landowner and their respective representatives, successors and assigns. Notwithstanding anything herein to the contrary, the Trustee for the Series 2017 Bonds, on behalf of the owners of the Series 2017 Bonds, shall be a direct third party beneficiary of the terms and conditions of this Agreement and shall be entitled to enforce the Landowner's obligations hereunder. The Trustee shall not be deemed to have assumed any obligations hereunder.

SECTION 12. LIMITATIONS ON GOVERNMENTAL LIABILITY. Nothing in this Agreement shall be deemed as a waiver of immunity or limits of liability of the District beyond any statutory limited waiver of immunity or limits of liability which may have been adopted by the Florida Legislature in section 768.28, *Florida Statutes*, or other statute, and nothing in this Agreement shall inure to the benefit of any third party for the purpose of allowing any claim which would otherwise be barred under the Doctrine of Sovereign Immunity or by operation of law.

SECTION 13. APPLICABLE LAW AND VENUE. This Agreement and the provisions contained herein shall be construed, interpreted and controlled according to the laws of the State of Florida. Each party consents that the venue for any litigation arising out of or related to this Agreement shall be Flagler County.

SECTION 14. PUBLIC RECORDS. The Landowner understands and agrees that all documents of any kind provided to the District in connection with this Agreement may be public records and may require treatment as such in accordance with Florida law.

SECTION 15. EXECUTION IN COUNTERPARTS. This instrument may be executed in any number of counterparts, each of which, when executed and delivered, shall constitute an original, and such counterparts together shall constitute one and the same instrument. Signature and acknowledgment pages, if any, may be detached from the counterparts and attached to a single copy of this document to physically form one document.

SECTION 16. EFFECTIVE DATE. This Agreement shall become effective after execution by the Parties hereto on the date reflected above.

[REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the Parties execute this Agreement the day and year first written above.

Attest:

DEER RUN COMMUNITY
DEVELOPMENT DISTRICT

Secretary/Assistant Secretary

Chairperson, Board of Supervisors

STATE OF FLORIDA
COUNTY OF _____

I hereby certify that on this day, before me, an officer duly authorized to take acknowledgments, personally appeared _____, as Chairperson, Board of Supervisors, Deer Run Community Development District, who executed the foregoing instrument, acknowledged before me that he executed the same on behalf of the foregoing entity and was identified in the manner indicated below.

Witness my hand and official seal in the County of _____ and State of Florida this ____ day of _____, 2017.

Notary Public

Personally known: _____
Produced Identification: _____
Type of Identification: _____

Witnesses:

D.R. HORTON, INC. - JACKSONVILLE,
a Delaware corporation

By: _____
Its: _____

Name: _____

Name: _____

STATE OF FLORIDA
COUNTY OF _____

I hereby certify that on this day, before me, an officer duly authorized to take acknowledgments, personally appeared _____, an authorized representative of D.R. Horton, Inc. - Jacksonville, a Delaware corporation, who executed the foregoing instrument, acknowledged before me that he executed the same on behalf of the foregoing entity and was identified in the manner indicated below.

Witness my hand and official seal in the County of _____ and State of Florida
this ____ day of _____, 2017.

Notary Public

Personally known: _____
Produced Identification: _____
Type of Identification: _____

Exhibit A: Legal Description of Landowner Lands

Exhibit B: *Supplemental Engineer's Report* dated _____, 2017

Exhibit A

Legal Description of Landowner Lands

Exhibit B

Supplemental Engineer's Report dated _____, 2017

SECTION IX

Deer Run

Community Development District

Summary of Check Register

May 18, 2017 to August 16, 2017

Fund	Date	Check No.'s		Amount
General Fund	5/31/17	732-733	\$	28.40
	6/7/17	734-741	\$	6,049.17
	6/13/17	742-743	\$	1,777.92
	6/21/17	744-745	\$	5,162.50
	6/28/17	746-747	\$	4,985.96
	7/5/17	748-749	\$	442.95
	7/11/17	750-754	\$	9,645.85
	7/19/17	755-757	\$	3,706.46
	7/26/17	758	\$	3,617.50
	8/8/17	759	\$	3,838.93
	8/9/17	760-761	\$	531.11
	8/16/17	762-766	\$	6,454.44
			\$	46,241.19
Payroll	<u>June 2017</u>			
	Duane Owen	50051	\$	200.00
	James Marvin III	50052	\$	184.70
	Jan Doan	50053	\$	184.70
			\$	569.40
			\$	46,810.59

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	.....CHECK..... AMOUNT #
5/31/17	00040	5/17/17 161920-R	201705 320-53800-47000		GRASS/LILLY PAD/CATTAILS	*	195.00	
		5/17/17 161920-R	201705 320-53800-47000		GRASS/LILLY PAD/CATTAILS	V	195.00-	
					AQUATIC WEED CONTROL, INC.			.00 000732
5/31/17	00003	5/17/17 10224622	201705 310-51300-48000		NOTICE OF MEETING-5/17/17	*	28.40	
					DAYTONA NEWS-JOURNAL			28.40 000733
6/07/17	00007	5/30/17 01-0060-	201704 320-53800-43100		100 GRAND RSRV PKWY-APR17	*	172.50	
		5/30/17 01-0060-	201705 320-53800-43100		100 GRAND RSRV PKWY-MAY17	*	172.43	
					CITY OF BUNNELL			344.93 000734
6/07/17	00045	5/25/17 D0052520	201705 310-51300-42600		MEETING MILEAGE-05/25/17	*	117.70	
					DUANE OWEN			117.70 000735
6/07/17	00002	5/23/17 5-811-93	201705 310-51300-42000		DELIVERY 05/18/17	*	100.00	
					FEDEX			100.00 000736
6/07/17	00004	5/31/17 94122	201704 310-51300-31500		PREP EASEMENT/SIGN AGRMNT	*	1,266.00	
					HOPPING GREEN & SAMS			1,266.00 000737
6/07/17	00048	5/25/17 JD052520	201705 310-51300-42600		MEETING MILEAGE-05/25/17	*	70.09	
					JAN DOAN			70.09 000738
6/07/17	00051	5/17/17 161920-R	201705 320-53800-47000		GRASS/LILLY PADS/CATTAILS	*	195.00	
					APPLIED AQUATIC MANAGEMENT, INC.			195.00 000739
6/07/17	00001	6/01/17 183	201706 310-51300-34000		MANAGEMENT FEES JUN17	*	2,500.00	
		6/01/17 183	201706 310-51300-35100		INFO TECHNOLOGY JUN17	*	83.33	
		6/01/17 183	201706 310-51300-51000		OFFICE SUPPLIES	*	21.44	
		6/01/17 183	201706 310-51300-42000		POSTAGE	*	14.13	
		6/01/17 183	201706 310-51300-42500		COPIES	*	86.55	
					GOVERNMENTAL MANAGEMENT SERVICES			2,705.45 000740

DRUN DEER RUN BPEREGRINO

AP300R

YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER RUN 8/16/17
 *** CHECK DATES 05/18/2017 - 08/16/2017 *** DEER RUN CDD - GENERAL FUND
 BANK A DEER RUN CDD

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CHECK DATE	VEND#INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNTCHECK..... AMOUNT #
6/07/17	00001	6/01/17 184	201706 320-53800-12000		FIELD MANAGEMENT JUN17	*	1,250.00	
GOVERNMENTAL MANAGEMENT SERVICES								1,250.00 000741
6/13/17	00027	6/06/17 13496-61	201705 320-53800-43000		99 GRAND RESERVE DR #ENTR	*	16.45	
		6/06/17 32999-54	201705 320-53800-43000		DECORATIVE LIGHTING #OAK	*	601.48	
		6/06/17 49885-91	201705 320-53800-43000		410 GRAND RESERVE DR #B	*	128.38	
		6/06/17 68588-21	201705 320-53800-43000		100 GRAND RESERVE DR #ENT	*	129.61	
FLORIDA POWER & LIGHT COMPANY								875.92 000742
6/13/17	00027	6/01/17 18001364	201706 320-53800-43000		STREETLIGHTING - JUN17	*	902.00	
FLORIDA POWER & LIGHT COMPANY								902.00 000743
6/21/17	00043	6/10/17 1429516	201705 310-51300-31100		MAPS/INFOR/CDD MTG/TRAVEL	*	2,012.50	
DEWBERRY ENGINEERS INC.								2,012.50 000744
6/21/17	00042	6/01/17 166137	201706 320-53800-46000		LANDSCAPE MAINT-JUN17	*	3,150.00	
YELLOWSTONE LANDSCAPE								3,150.00 000745
6/28/17	00043	6/10/17 1429517	201705 310-51300-31100		REV/COOR. PUB.FACILITY'17	*	2,295.00	
DEWBERRY ENGINEERS INC.								2,295.00 000746
6/28/17	00004	6/19/17 94343	201705 310-51300-31500		AMENITY/REFUNDING/RCL WTR	*	2,690.96	
HOPPING GREEN & SAMS								2,690.96 000747
7/05/17	00007	6/28/17 01-0060-	201705 320-53800-43100		100 GRAND RSRV PKWY-MAY17	*	218.37	
		6/28/17 01-0060-	201706 320-53800-43100		100 GRAND RSRV PKWY-JUN17	*	204.60	
CITY OF BUNNELL								422.97 000748
7/05/17	00044	6/20/17 06202017	201706 300-20700-10200		TAX COMMISSIONS-JUN17	*	19.98	
FLAGLER COUNTY TAX COLLECTOR								19.98 000749
7/11/17	00001	7/03/17 185	201707 310-51300-34000		MANAGEMENT FEES JUL17	*	2,500.00	

DRUN DEER RUN BPEREGRINO

CHECK DATE	VEND#	.....INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	.....CHECK..... AMOUNT #
		7/03/17 185	201707 310-51300-35100			*	83.33	
		INFO TECHNOLOGY JUL17						
		7/03/17 185	201707 310-51300-51000			*	.45	
		OFFICE SUPPLIES						
		7/03/17 185	201707 310-51300-42000			*	7.05	
		POSTAGE						
		7/03/17 185	201707 310-51300-42500			*	3.15	
		COPIES						
		7/03/17 185	201707 310-51300-41000			*	18.86	
		TELEPHONE						
		7/03/17 186	201707 320-53800-12000			*	1,250.00	
		FIELD MANAGEMENT JUL17						
					GOVERNMENTAL MANAGEMENT SERVICES			3,862.84 000750
7/11/17 00046		7/02/17 2111149	201707 310-51300-32200			*	3,270.00	
		FY16 AUDIT SERVICES						
					BERGER, TOOMBS, ELAM, GAINES & FRANK			3,270.00 000751
7/11/17 00027		7/07/17 13496-61	201706 320-53800-43000			*	65.64	
		99 GRAND RESERVE DR #ENTR						
		7/07/17 32999-54	201706 320-53800-43000			*	601.48	
		DECORATIVE LIGHTING #OAK						
		7/07/17 49885-91	201706 320-53800-43000			*	70.59	
		410 GRAND RESERVE DR #B						
		7/07/17 68588-21	201706 320-53800-43000			*	119.66	
		100 GRAND RESERVE DR #ENT						
					FLORIDA POWER & LIGHT COMPANY			857.37 000752
7/11/17 00027		7/01/17 18001386	201707 320-53800-43000			*	902.00	
		STREETLIGHTING - JUL17						
					FLORIDA POWER & LIGHT COMPANY			902.00 000753
7/11/17 00035		7/03/17 07032017	201707 300-20700-10100			*	753.64	
		FY17 TAX DEBT ASSESSMENTS						
					DEER RUN CDD C/O REGIONS BANK			753.64 000754
7/19/17 00051		6/30/17 162938	201706 320-53800-47000			*	110.00	
		AQUATIC MGMT SVCS-JUN17						
					APPLIED AQUATIC MANAGEMENT, INC.			110.00 000755
7/19/17 00004		7/18/17 94890	201706 310-51300-31500			*	446.46	
		AUDIT RPT/PROJ COMP/COMPL						
					HOPPING GREEN & SAMS			446.46 000756
7/19/17 00042		7/01/17 168908	201707 320-53800-46000			*	3,150.00	
		LANDSCAPE MAINT-JUL17						
					YELLOWSTONE LANDSCAPE			3,150.00 000757
					DRUN DEER RUN BPEREGRINO			

AP300R

YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER RUN 8/16/17
 *** CHECK DATES 05/18/2017 - 08/16/2017 *** DEER RUN CDD - GENERAL FUND
 BANK A DEER RUN CDD

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CHECK DATE	VEND#INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNTCHECK..... AMOUNT #
7/26/17	00043	7/12/17 1439687	201706 310-51300-31100			*	2,470.00	
		7/12/17 1439688	201706 310-51300-31100		INTERIM SRVC ON PROJ/RPT	*	1,147.50	
					CDD PUBLIC FACILITIES '17			
					DEWBERRY ENGINEERS INC.			3,617.50 000758
8/08/17	00001	8/01/17 187	201708 310-51300-34000			*	2,500.00	
		8/01/17 187	201708 310-51300-35100		MANAGEMENT FEES AUG17	*	83.33	
		8/01/17 187	201708 310-51300-51000		INFO TECHNOLOGY AUG17	*	.36	
		8/01/17 187	201708 310-51300-42000		OFFICE SUPPLIES	*	5.24	
		8/01/17 188	201708 320-53800-12000		POSTAGE	*	1,250.00	
					FIELD MANAGEMENT AUG17			
					GOVERNMENTAL MANAGEMENT SERVICES			3,838.93 000759
8/09/17	00051	7/31/17 163573	201707 320-53800-47000			*	110.00	
					AQUATIC MGMT SVCS-JUL17			
					APPLIED AQUATIC MANAGEMENT, INC.			110.00 000760
8/09/17	00007	8/01/17 01-0060-	201706 320-53800-43100			*	210.56	
		8/01/17 01-0060-	201707 320-53800-43100		100 GRAND RSRV PKWY-JUN17	*	210.55	
					100 GRAND RSRV PKWY-JUL17			
					CITY OF BUNNELL			421.11 000761
8/16/17	00003	8/09/17 I0225583	201708 310-51300-48000			*	67.70	
					NOT.OF HEARING FY18 BDGT			
					DAYTONA NEWS-JOURNAL			67.70 000762
8/16/17	00043	8/10/17 1450036	201707 310-51300-31100			*	1,427.50	
					ENGINEER RPT/TRACT AREAS			
					DEWBERRY ENGINEERS INC.			1,427.50 000763
8/16/17	00027	8/07/17 13496-61	201707 320-53800-43000			*	106.80	
		8/07/17 32999-54	201707 320-53800-43000		99 GRAND RESERVE DR #ENTR	*	601.48	
		8/07/17 49885-91	201707 320-53800-43000		DECORATIVE LIGHTING #OAK	*	117.12	
		8/07/17 68588-21	201707 320-53800-43000		410 GRAND RESERVE DR #B	*	81.84	
					100 GRAND RESERVE DR #ENT			
					FLORIDA POWER & LIGHT COMPANY			907.24 000764
					DRUN DEER RUN BPEREGRINO			

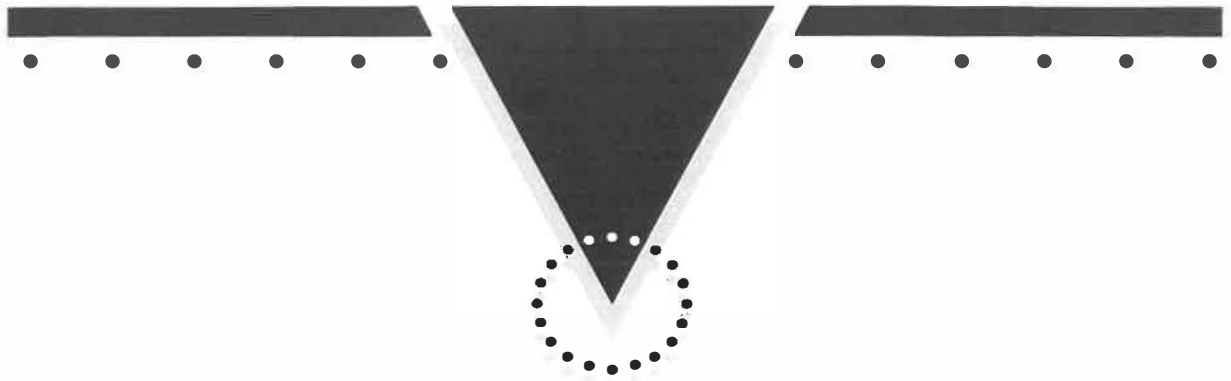
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YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER RUN 8/16/17
 *** CHECK DATES 05/18/2017 - 08/16/2017 *** DEER RUN CDD - GENERAL FUND
 BANK A DEER RUN CDD

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CHECK DATE	VEND#INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNTCHECK..... AMOUNT #
8/16/17	00027	8/01/17 18001408	201708 320-53800-43000		STREETLIGHTING - AUG17	*	902.00	
					FLORIDA POWER & LIGHT COMPANY			902.00 000765
8/16/17	00042	8/01/17 174231	201708 320-53800-46000		LANDSCAPE MAINT-AUG17	*	3,150.00	
					YELLOWSTONE LANDSCAPE			3,150.00 000766
TOTAL FOR BANK A							46,241.19	
TOTAL FOR REGISTER							46,241.19	

DRUN DEER RUN BPEREGRINO



Deer Run

Community Development District

Unaudited Financial Reporting
July 31, 2017



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DEER RUN
COMMUNITY DEVELOPMENT DISTRICT
COMBINED BALANCE SHEET
For The Period Ending July 31, 2017

	<u>GOVERNMENTAL FUND</u>				<u>TOTALS</u> (memorandum only)
<i>ASSETS</i>	<u>GENERAL</u>	<u>SETTLEMENT MONITORING</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>2017</u>
CASH	\$44,834	\$23,800	_____	_____	\$68,634
INVESTMENTS					
RESERVE	_____	_____	\$21,084	_____	\$21,084
REVENUE	_____	_____	\$76,664	_____	\$76,664
CONSTRUCTION	_____	_____	_____	\$107	\$107
TOTAL ASSETS	\$44,834	\$23,800	\$97,747	\$107	\$166,488
 <i>LIABILITIES</i>					
ACCOUNTS PAYABLE	\$2,866	_____	_____	_____	\$2,866
ACCRUED INTEREST PAYABLE	_____	_____	\$3,701,175	_____	\$3,701,175
ACCRUED PRINCIPAL PAYABLE	_____	_____	\$700,000	_____	\$700,000
 <i>FUND EQUITY</i>					
FUND BALANCES					
UNASSIGNED	\$41,969	\$23,800	(\$4,303,428)	\$107	(\$4,237,552)
TOTAL LIABILITIES & FUND EQUITY	\$44,834	\$23,800	\$97,747	\$107	\$166,488

Deer Run

COMMUNITY DEVELOPMENT DISTRICT

GENERAL FUND

Statement of Revenues & Expenditures For The Period Ending July 31, 2017

	BUDGET	PRORATED BUDGET THRU 7/31/17	ACTUAL THRU 7/31/17	VARIANCE
REVENUES:				
ASSESSMENTS/TRUSTEE CONTRIBUTIONS (1)	\$182,971	\$182,971	\$106,278	(\$76,693)
GOLF COURSE LAKE MAINTENANCE CONTRIBUTIONS	\$4,800	\$0	\$0	\$0
TOTAL REVENUES	\$187,771	\$182,971	\$106,278	(\$76,693)
EXPENDITURES:				
ADMINISTRATIVE				
SUPERVISOR FEES	\$4,000	\$2,000	\$600	\$1,400
FICA EXPENSE	\$306	\$153	\$31	\$122
ENGINEERING	\$3,550	\$3,550	\$14,203	(\$10,653)
DISSEMINATION	\$1,000	\$1,000	\$2,500	(\$1,500)
ATTORNEY	\$20,000	\$16,667	\$6,077	\$10,590
ANNUAL AUDIT	\$3,270	\$3,270	\$3,270	\$0
TRUSTEE FEES	\$3,500	\$0	\$0	\$0
ARBITRAGE	\$600	\$600	\$600	\$0
ASSESSMENT ROLL	\$2,500	\$2,500	\$2,500	\$0
MANAGEMENT FEES	\$30,000	\$25,000	\$25,000	\$0
INFORMATION TECHNOLOGY	\$1,000	\$833	\$833	\$0
TELEPHONE	\$100	\$83	\$31	\$52
POSTAGE	\$600	\$500	\$160	\$340
INSURANCE	\$7,950	\$7,950	\$7,401	\$549
PRINTING & BINDING	\$800	\$667	\$225	\$441
TRAVEL PER DIEM	\$500	\$417	\$188	\$229
LEGAL ADVERTISING	\$500	\$417	\$116	\$300
OTHER CURRENT CHARGES	\$800	\$667	\$209	\$458
OFFICE SUPPLIES	\$250	\$208	\$41	\$167
DUES, LICENSE, & SUBSCRIPTIONS	\$175	\$175	\$175	\$0
TOTAL ADMINISTRATIVE	\$81,401	\$66,656	\$64,159	\$2,497
MAINTENANCE				
FIELD MANAGEMENT	\$15,000	\$12,500	\$12,500	\$0
ELECTRIC	\$23,000	\$19,167	\$16,721	\$2,445
WATER & SEWER	\$5,000	\$4,167	\$3,908	\$258
LANDSCAPE MAINTENANCE	\$37,800	\$31,500	\$31,500	\$0
LANDSCAPE CONTINGENCY	\$6,000	\$5,000	\$3,684	\$1,316
LAKE MAINTENANCE	\$17,000	\$14,167	\$415	\$13,752
IRRIGATION REPAIRS	\$2,000	\$1,667	\$0	\$1,667
CONTINGENCY	\$570	\$475	\$0	\$475
TOTAL MAINTENANCE	\$106,370	\$88,642	\$68,729	\$19,913
TOTAL EXPENDITURES	\$187,771	\$155,298	\$132,888	\$22,410
EXCESS REVENUES (EXPENDITURES)	\$0		(\$26,610)	
FUND BALANCE - BEGINNING	\$0		\$68,579	
FUND BALANCE - ENDING	\$0		\$41,969	

(1) Includes \$30,000 FR #1 from Deer Run CDD Holdings and \$72,000 from Dr Horton.

DEER RUN COMMUNITY DEVELOPMENT DISTRICT

SETTLEMENT MONITORING FUND

Statement of Revenues & Expenditures
For The Period Ending July 31, 2017

	SETTLEMENT MONITORING BUDGET	PRORATED BUDGET THRU 7/31/17	ACTUAL THRU 7/31/17	VARIANCE
<u>REVENUES:</u>				
ENVIRONMENTAL MITIGATION CREDIT	\$0	\$0	\$0	\$0
TOTAL REVENUES	\$0	\$0	\$0	\$0
<u>EXPENDITURES:</u>				
PERMIT MONITORING	\$0	\$0	\$750	(\$750)
TOTAL EXPENDITURES:	\$0	\$0	\$750	(\$750)
EXCESS REVENUES (EXPENDITURES)	\$0		(\$750)	
FUND BALANCE - BEGINNING	\$26,150		\$24,550	
FUND BALANCE - ENDING	\$26,150		\$23,800	

DEER RUN COMMUNITY DEVELOPMENT DISTRICT

DEBT SERVICE FUND

Statement of Revenues & Expenditures
For The Period Ending July 31, 2017

REVENUES:

	DEBT SERVICE BUDGET	PRORATED BUDGET THRU 7/31/17	ACTUAL THRU 7/31/17	VARIANCE
ASSESSMENTS - TAX COLLECTOR	\$13,942	\$13,942	\$14,311	\$369
ASSESSMENTS - SPE (FORBEARANCE)	\$681,361	\$681,361	\$0	(\$681,361)
INTEREST	\$0	\$0	\$154	\$154
OTHER REVENUE SOURCES	\$2,716	\$2,263	\$0	(\$2,263)
TOTAL REVENUES	\$698,019	\$697,566	\$14,465	(\$683,101)

EXPENDITURES:

INTEREST EXPENSE 11/01	\$286,509	\$286,509	\$308,431	(\$21,922)
PRINCIPAL EXPENSE 05/01	\$125,000	\$125,000	\$125,000	\$0
INTEREST EXPENSE 05/01	\$286,509	\$286,509	\$308,431	(\$21,922)
TOTAL EXPENDITURES	\$698,019	\$698,019	\$741,863	(\$43,844)
EXCESS REVENUES (EXPENDITURES)	\$0		(\$727,397)	
FUND BALANCE - BEGINNING	\$0		(\$3,576,030)	
FUND BALANCE - ENDING	\$0		(\$4,303,428)	

DEER RUN COMMUNITY DEVELOPMENT DISTRICT

CAPITAL PROJECTS FUND - SERIES 2008 Statement of Revenues & Expenditures For The Period Ending July 31, 2017

	CONSTRUCTION FUND BUDGET	PRORATED BUDGET THRU 7/31/17	ACTUAL THRU 7/31/17	VARIANCE
<u>REVENUES:</u>				
INTEREST	\$0	\$0	\$0	\$0
TOTAL REVENUES	\$0	\$0	\$0	\$0
<u>EXPENDITURES:</u>				
CAPITAL OUTLAY	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$0	\$0	\$0	\$0
FUND BALANCE - BEGINNING	\$0		\$106	
FUND BALANCE - ENDING	\$0		\$107	

**Deer Run
Community Development District**

	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	TOTAL
REVENUES:													
ASSESSMENTS/TRUSTEE CONTRIBUTIONS	\$0	\$0	\$1,345	\$30,000	\$0	\$2,707	\$72,000	\$0	\$225	\$0	\$0	\$0	\$106,278
GOLF COURSE LAKE MAINTENANCE CONTRIBUTION	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUES	\$0	\$0	\$1,345	\$30,000	\$0	\$2,707	\$72,000	\$0	\$225	\$0	\$0	\$0	\$106,278
EXPENDITURES:													
ADMINISTRATIVE													
SUPERVISOR FEES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$600	\$0	\$0	\$0	\$600
FICA EXPENSE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$31	\$0	\$0	\$0	\$31
ENGINEERING	\$0	\$0	\$0	\$0	\$2,340	\$2,070	\$440	\$4,308	\$3,618	\$1,428	\$0	\$0	\$14,203
DISSEMINATION	\$0	\$0	\$2,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,500
ATTORNEY	\$510	\$209	\$28	\$250	\$285	\$392	\$1,266	\$2,691	\$446	\$0	\$0	\$0	\$6,077
ANNUAL AUDIT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,270	\$0	\$0	\$3,270
TRUSTEE FEES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ARBITRAGE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$600	\$0	\$0	\$0	\$0	\$600
ASSESSMENT ROLL	\$2,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,500
MANAGEMENT FEES	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$0	\$0	\$25,000
COMPUTER TIME	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$0	\$0	\$833
TELEPHONE	\$0	\$6	\$0	\$6	\$0	\$0	\$0	\$0	\$0	\$19	\$0	\$0	\$31
POSTAGE	\$13	\$4	\$2	\$0	\$3	\$4	\$6	\$107	\$14	\$7	\$0	\$0	\$160
INSURANCE	\$7,401	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,401
PRINTING & BINDING	\$121	\$1	\$4	\$3	\$1	\$4	\$0	\$1	\$87	\$3	\$0	\$0	\$225
TRAVEL PER DIEM	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$188	\$0	\$0	\$0	\$0	\$188
LEGAL ADVERTISING	\$65	\$0	\$0	\$0	\$0	\$0	\$23	\$28	\$0	\$0	\$0	\$0	\$116
OTHER CURRENT CHARGES	\$18	\$19	\$22	\$25	\$23	\$23	\$23	\$19	\$16	\$21	\$0	\$0	\$209
OFFICE SUPPLIES	\$17	\$0	\$0	\$0	\$1	\$0	\$0	\$0	\$21	\$0	\$0	\$0	\$41
DUES, LICENSES & SUBSCRIPTIONS	\$175	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$175
TOTAL ADMINISTRATIVE	\$13,403	\$2,823	\$5,140	\$2,868	\$5,236	\$5,076	\$4,342	\$10,525	\$7,416	\$7,331	\$0	\$0	\$64,159
MAINTENANCE													
FIELD MANAGEMENT	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$0	\$0	\$12,500
ELECTRIC	\$1,590	\$1,610	\$1,606	\$1,601	\$1,615	\$1,647	\$1,706	\$1,778	\$1,759	\$1,809	\$0	\$0	\$16,721
WATER & SEWER	\$405	\$426	\$429	\$419	\$391	\$516	\$306	\$391	\$415	\$211	\$0	\$0	\$3,908
LANDSCAPE MAINTENANCE	\$3,150	\$3,150	\$3,150	\$3,150	\$3,150	\$3,150	\$3,150	\$3,150	\$3,150	\$3,150	\$0	\$0	\$31,500
LANDSCAPE CONTINGENCY	\$1,456	\$0	\$0	\$2,228	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,684
LAKE MAINTENANCE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$195	\$110	\$110	\$0	\$0	\$415
IRRIGATION REPAIRS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CONTINGENCY	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL MAINTENANCE	\$7,851	\$6,436	\$6,435	\$8,648	\$6,406	\$6,563	\$6,412	\$6,764	\$6,685	\$6,530	\$0	\$0	\$68,729
TOTAL EXPENDITURES	\$21,254	\$9,259	\$11,574	\$11,516	\$11,642	\$11,639	\$10,754	\$17,289	\$14,100	\$13,861	\$0	\$0	\$132,888
EXCESS REVENUES (EXPENDITURES)	(\$21,254)	(\$9,259)	(\$10,229)	\$18,484	(\$11,642)	(\$8,932)	\$61,246	(\$17,289)	(\$13,875)	(\$13,861)	\$0	\$0	(\$26,610)

Deer Run
Community Development District
LONG TERM DEBT REPORT

SERIES 2008, SPECIAL ASSESSMENT BONDS		
INTEREST RATE:	7.625%	
MATURITY DATE:	5/1/2039	
RESERVE FUND DEFINITION	MAXIMUM ANNUAL DEBT SERVICE	
RESERVE FUND REQUIREMENT	\$717,981	
RESERVE FUND BALANCE	\$21,084	
BONDS OUTSTANDING - 9/30/13		\$8,090,000
LESS: PRINCIPAL PAYMENT 5/1/14		\$0
LESS: PRINCIPAL PAYMENT 5/1/15		\$0
LESS: PRINCIPAL PAYMENT 5/1/16		\$0
LESS: PRINCIPAL PAYMENT 5/1/17		\$0
CURRENT BONDS OUTSTANDING		\$8,090,000

DEER RUN
COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT RECEIPTS - FY2017

TAX COLLECTOR

Gross Assessments \$ 19,295 \$ 4,440 \$ 14,855
Net Assessments \$ 18,137 \$ 4,174 \$ 13,964

Date Received	Check#	Gross Assessments Received	Discounts/ Penalties	Commissions Paid	Interest Income	Net Amount Received	2008		
							General Fund 23.01%	Debt Svc Fund 76.99%	Total 100%
12/1/16	53518	\$ 1,375.95	\$ -	\$ 27.52	\$ -	\$ 1,348.43	\$ 310.29	\$ 1,038.14	\$ 1,348.43
12/15/16	53585	\$ 4,588.19	\$ -	\$ 91.76	\$ -	\$ 4,496.43	\$ 1,034.69	\$ 3,461.74	\$ 4,496.43
3/10/17	53318	\$ 12,005.09	\$ -	\$ 240.10	\$ -	\$ 11,764.99	\$ 2,707.29	\$ 9,057.70	\$ 11,764.99
6/28/17	54377	\$ 998.88	\$ -	\$ 19.98	\$ -	\$ 978.90	\$ 225.26	\$ 753.64	\$ 978.90
Totals		\$ 18,968.11	\$ -	\$ 379.36	\$ -	\$ 18,588.75	\$ 4,277.53	\$ 14,311.22	\$ 18,588.75
4/12/17	991235901	\$ 72,000.00	\$ -	\$ -	\$ -	\$ 72,000.00	\$ 72,000.00	DR HORTON O&M PAYMENT	
Totals		\$ 90,968.11	\$ -	\$ 379.36	\$ -	\$ 90,588.75	\$ 76,277.53	\$ 14,311.22	\$ 18,588.75



**Deer Run CDD
Exhibit A
Landscape Management Service Pricing Sheet**

Core Maintenance Services

Mowing & Clean Up/Detailing **\$52,807.50**

*Includes mowing, edging, string-trimming,
clean-up, shrub pruning, and weed removal*

IPM - Fertilization & Pest Control **\$12,392.88**

Fertilization/Fungicide/Insecticide/herbicide/weed control

Irrigation Inspections **\$3,688.22**

Includes monthly inspections (est 15 zones)

Core Maintenance Annual Total	\$68,888.60
Monthly	\$5,740.72

Additional Services (billed per occurrence)

Mulch Pricing available upon request

Palm/ Tree Pruning Pricing available upon request

Grand Total Annual	\$68,888.60
---------------------------	--------------------

Client Initial: _____

Creating premier properties. Building lasting relationships



Client: Deer Run CDD
Service Area: all
Effective Date:

Exhibit B - Performance Standards

Managing the needs of your unique landscape requires careful planning and attention to detail. Our experienced professionals use their extensive training and state-of-the-art equipment to ensure the health and sustainability of your living investment. Should you ever have additional needs, questions or concerns, please feel completely free to ask us.

Geographic location and climate play a major role in the timing of our service delivery; schedules are adjusted to coincide with seasonal growth rates in order to maintain a consistent, healthy appearance. Services missed due to inclement weather will be made up as soon as possible. The following table summarizes our planned visits for completing each of the services performed on your property:

Service	Visits
Mowing	
60" ZTR Mower (Bahia -)	24
60" ZTR Mower (St. Augustine -)	32
Backpack Lf (Bahia -)	24
Backpack Lf (St. Augustine -)	32
Hard Edging (Bahia -)	16
Hard Edging (St. Augustine -)	16
Soft Edging (St. Augustine -)	16
Fence/Wall/Post/Etc Lf (Bahia -)	24
Fence/Wall/Post/Etc Lf (St. Augustine -)	32
Detailing	
Weeding Manual - Beds ()	24
Weeding Non-Selective Herbicide-Beds ()	24
Shrubs Pruning	8
IPM - Fertilization & Pest Control	
Fertilization	
St. Augustine	4
Specialty Palms	1
Shrubs - Cypress/Pinebark	1
Chemical - Turf	
St. Augustine - Insecticide	1
St. Augustine - Herbicide	2
Chemical - Shrubs/Trees	
Shrubs-Fungicide/Insecticide	2
Shrubs-Pre-Emergent	1
Specialty Palms-Fungicide/Insecticide	1
Irrigation Inspection	
# of Checks	12

Client Initial: _____

Creating premier properties. Building lasting relationships.

What you can expect from us as our valued Client!

Communication

- **You need to know what's going on.** Most frustration comes from not knowing. We've confronted this issue head on-our systems put communication first. Clients have a single point of contact regardless of the stage of their job. There are regular updates and we always welcome lots of feedback. It is our policy to be honest and responsive at all times and our objective is complete customer satisfaction.

Customization

- **One size doesn't fit all.** Every property we service has its own set of needs and issues. Our experienced staff and integrated approach allow us to find unique solutions to meet most property or budget constraints. It is our focus to be as flexible as possible so that we find the best solution and our customer experience is stress free.

Proactivity

- **We'll fix it before it's a problem.** The last thing we want is for our clients to point out something we've missed. We've built our service programs around proactivity and our professionals strive to catch every detail before someone else does. Procedures, checklists and training all focus on one result-making sure our customers don't have to manage our work.

Personnel

- We understand that our personnel are perceived as your representatives while on your property; rest assured in knowing they will conduct themselves in an efficient, well-mannered, well-groomed and workman-like manner.
- All of our services are coordinated to minimize disruption and maximize safety to people and vehicular traffic.
- We provide all labor, transportation and supervision necessary except in circumstances where we may use a reputable subcontractor (e.g. palm pruning, mulch, and irrigation) to carry out the task.
- Should we accidentally damage anything on your property, we will promptly make repairs at no cost to you.

Our Vehicles and Equipment

- Our service vehicles are well maintained, registered, insured, and operated only by responsible licensed personnel.
- All trailers, storage facilities, and maintenance equipment are in good condition and present a clean and neat appearance.
- Tools and equipment will be properly suited to the task at hand and used with safety gear when necessary.

Additional Services

- We will gladly provide extra services (such as irrigation repair and plant material replacement), special services and/or landscape enhancements at an additional charge with written approval from one of your authorized representatives. Our landscape design team and enhancement crews are ready when you are!

Additional Provisions

- Your personal Account Manager will conduct inspections on a monthly basis to assess and remedy landscape maintenance deficiencies as soon as possible.
- We offer a 24 hour contact list for use in case of emergencies.
- Removal of all landscape debris generated on the property during landscape maintenance is our sole responsibility, at no additional expense to you.
- Access to a water source on your property must be provided for use in spray applications.
- All products will be applied as directed by the manufacturers' instructions and in accordance with all state and federal regulations.
- We will frequently assess, identify, and notify you of any landscape conditions that affect long-term health including our suggestions regarding the best course of action. While we can't guarantee the survival of plant material, since it is a living thing, any plant material that dies as a direct and identifiable result of improper maintenance practices will be replaced at no additional cost to you.

Client Initial: _____

Creating premier properties. Building lasting relationships

**NOTICE OF MEETINGS
DEER RUN
COMMUNITY DEVELOPMENT DISTRICT**

The Board of Supervisors of the *Deer Run Community Development District* will hold their regularly scheduled public meetings for **Fiscal Year 2018** at **1:00 pm at the Government Services Building, 1769 E. Moody Blvd., Bunnell, FL 32110** on the fourth Thursday of the following months:

November 16, 2017 - EXCEPTION

January 25, 2018

May 24, 2018

August 23, 2018

The meetings are open to the public and will be conducted in accordance with the provisions of Florida Law for Community Development Districts. A copy of the agenda for a particular meeting may be obtained from the District Manager at 135 W. Central Blvd., Suite 320, Orlando, FL 32801.

The meetings may be continued to a date, time, and place as evidenced by motion of the majority of Board Members participating at the meeting. There may be occasions when one or more Supervisors, staff or other individuals will participate by speaker telephone.

Any person requiring special accommodations at the meetings because of a disability or physical impairment should contact the District Office at (407) 841-5524 at least forty-eight (48) hours prior to the meeting. If you are hearing or speech impaired, please contact the Florida Relay Service 1-800-955-8770, for aid in contacting the District Office.

Each person who decides to appeal any action taken at these meetings is advised that person will need a record of the proceedings and that accordingly, the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.

George S. Flint
Governmental Management Services – Central Florida, LLC
District Manager