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This instrument Prepared by
and return to:

Candler Hills East Community Development District
c/o Government Management Services, LLC
201 E. Pine St, Suite 950
Orlando, FL 32801

CANDLER HILLS EAST COMMUNITY DEVELOPMENT DISTRICT

DISCLOSURE OF PUBLIC FINANCING

Board of Supervisors¹

Guy Woolbright
Chairperson

Robert Colen
Vice Chairman

Lonnie Smith
Assistant Secretary

Robert Stepp
Assistant Secretary

Jo Salyers
Assistant Secretary

Governmental Management Services – Central Florida, LLC.
201 E. Pine Street
Suite 950
Orlando, FL 32801
(407) 841-5524

District records are on file at the office of the District Manager in Orlando, Florida and at 8447 SW 99th Street Rd., Ocala, Florida. The District records are available for public inspection upon request during normal business hours.

¹ This list reflects the composition of the Board of Supervisors as of June 23, 2009. For a current list of Board members, please call the District Manager.

DISCLOSURE OF PUBLIC FINANCING AND MAINTENANCE OF IMPROVEMENTS TO REAL PROPERTY UNDERTAKEN BY THE CANDLER HILLS EAST COMMUNITY DEVELOPMENT DISTRICT

Under Florida law, community development districts are required to take affirmative steps to provide for the full disclosure of information relating to the public financing and maintenance of improvements to real property undertaken by such districts. The law specifically provides that this information shall be made available to all persons currently residing within the District and to all prospective District residents. The following information describing the **Candler Hills East Community Development District** (the “District” or “CDD”) and the assessments, fees and charges that have been levied within the District to pay for certain community infrastructure is provided to fulfill this statutory requirement.

What is the District and how is it governed?

The District is an independent special taxing district, created pursuant to and existing under the provisions of Chapter 190, Florida Statutes, and established by Ordinance No. 02-27 of the Board of County Commissioners of Marion County, Florida, effective on November 12, 2002. The District currently consists of 417.765 acres of land located entirely within the jurisdictional boundaries of Marion County, Florida. As a local unit of special-purpose government, the District provides an alternative means for planning, financing, constructing, operating and maintaining various public improvements and community facilities within its jurisdiction.

The District is governed by a five-member Board of Supervisors, the members of which must be residents of the State and citizens of the United States. Within ninety (90) days of appointment of the initial board, members were elected on an at-large basis by the owners of property within the District, each landowner being entitled to one vote for each acre of land with fractions thereof rounded upward to the nearest whole number. Elections are held every two years in November. Commencing six years after the initial appointment of Supervisors and when the District attains a minimum of two hundred and fifty (250) qualified electors, Supervisors whose terms are expiring will begin to be elected by qualified electors of the District. A “qualified elector” in this instance is any person at least eighteen (18) years of age who is a citizen of the United States, a legal resident of Florida and the District, and who is also registered with the Supervisor of Elections to vote in Marion County. Notwithstanding the foregoing, if at any time the Board proposes to exercise its ad valorem taxing power, it shall, prior to the exercise of such power, call an election at which all members of the Board shall be elected by qualified electors of the District.

Board meetings are noticed in the local newspaper and are conducted in a public forum in which public participation is permitted. Consistent with Florida’s public records laws, the records of the District are available for public inspection during normal business hours. Elected members of the Board are similarly bound by the State’s open meetings law and are subject to the same disclosure requirements as other elected officials under the State’s ethics laws.

What infrastructure improvements does the District provide and how are the improvements paid for?

The District is comprised of 417.765 acres and is permitted to construct 633 residential units and 3,500 square feet of golf clubhouse, golf cart and recreational buildings, located in Marion County, Florida. The public infrastructure necessary to support the District development program includes, but is not limited to the following: stormwater management system, potable water and wastewater system, roadway improvements, street lighting and security lighting, and other common area improvements for the use of the residents of the specific District. Each of these infrastructure improvements is more fully detailed below.

These public infrastructure improvements are funded in part by the District's sale of bonds. On May 4, 2006 the Bay Laurel Center Community Development District (BLCCDD) issued its first series of Special Assessment Bonds for infrastructure improvements. BLCCDD issued Special Assessment Bonds, Series 2006, in the amount of \$5,675,000 ("Series 2006 Bonds") on behalf of Candler Hills Community Development District. Proceeds of the Series 2006 Bonds have been used to finance a portion of the cost of the acquisition, construction, installation and equipping of the infrastructure and improvements.

To plan the infrastructure improvements necessary for the District, the District adopted an Engineer's Report (the "Improvement Plan"), which details all of the improvements contemplated for the completion of the infrastructure of the District. Copies of the Improvement Plan are available for review in the District's public records.

Specifically, the Improvement Plan within the Candler Hills Community Development District is to be financed with the Series 2006 Bonds and can be classified as follows:

Neighborhood Improvements	Master Improvements	Common Area Improvements
Sitework	Sitework	Entry Features
Stormwater Management System	SW 80 th Street	Landscape (including trees, shrubs, sod, irrigation, mulch, pavers & benches)
Entry Features (including landscaping, irrigation, fencing, and signage)	Stormwater Management System	Security and Street Lighting
Retention Area Landscaping	Landscape and Irrigation	
	Intersection Improvements (Signalization)	

Stormwater Management System

The stormwater management system for the District consists of the drainage retention areas and associated stormwater collection system, erosion control mechanisms and sodding and/or seeding. The District lies within a closed basin; therefore, all drainage must be retained onsite. Water Quality is provided pursuant to Florida Statutes and adequate recovery is ensured for each retention area. The retention areas have been strategically placed in natural depression areas in keeping with the existing character of the land and to minimize construction costs. In addition, the stormwater management system is designed to incorporate the proposed golf course layout. The CDD lies within the jurisdiction of the Southwest Florida Water Management District (SWFWMD). The soils contained within the CDD are predominantly native sands with good infiltration and allow for easy recovery of the required volume.

Potable Water and Wastewater Systems

The Bay Laurel Center Community Development District (BLCCDD) is the provider of potable water and wastewater service to the lands within BLCCDD, and additional property, including but not limited to, lands within the District, Indigo East East Community Development District (IECDD), and Circle Square Commons. Lands outside of the BLCCDD boundaries are served via interlocal agreements with the other districts and Marion County as applicable.

Potable water and wastewater services necessary for development of the land is provide via a combination of construction, purchase, and leasing of facilities by the BLCCDD.

No costs associated with the potable water or wastewater systems, facilities or services for lands within the BLCCDD are included in the costs identified in this Engineer's Report. This report does include various irrigation system improvements as described in "Neighborhood Improvements".

Roadway System

SW 80th Street has been constructed from the intersection of SW 80th Avenue to the Western boundary of the District. The costs associated for the infrastructure for SW 80th Street and SW 80th Avenue are considered Master Improvements. Also identified under Master Improvements are the costs associated with the stormwater management system, Landscape and Irrigation and the pro-rata portion of costs for the signalization of the intersection of SW 80th Street and SW 80th Avenue.

The collector road improvements are not within the boundaries of the CDD. All other infrastructure to support the CDD and to be acquired by the CDD will be contained with the CDD boundaries.

The infrastructure for the roads shall consist of stabilized subgrade, limerock base, asphalt paving, curbing, sidewalks, bike paths, signage and striping. The Neighborhood Improvements infrastructure costs will also include the stormwater management system, and entry features (including landscaping, irrigation, fencing and signage). All roadway construction shall be in accordance with the latest version of the Marion County Land Development Code and MUTCD.

Street Lighting and Security Systems

Security and street lighting will be provided along all public street rights of way and at each neighborhood entrance.

Other Common Area Improvements

The other costs associated with the Common Area Improvements include the main entry features, Landscaping (including trees, shrubs, sod, irrigation, mulch, pavers, fence and benches), and security and street lighting within the common areas.

Assessments, Fees, and Charges

The costs of a portion of these infrastructure improvements have been financed by BLCCDD through Series 2006 Bonds on behalf of Candler Hills Community Development District.

Proceeds of the Series 2006 Bonds have been used to finance the acquisition and or construction of a portion of the proposed infrastructure improvements to serve the lands within the District. A copy of the District's assessment methodology is available for review in the District's records office.

The Series 2006 Bonds and the interest due thereon, are payable solely from and secured by the levy of non ad valorem or special assessments against the lands within the District, which benefit from the construction, acquisition, establishment of the District's improvements. The assessments on lots are or will be billed in the same manner as are county ad valorem taxes. The District may undertake the construction, acquisition, or installation of other future improvements and facilities, which may be financed by bonds, notes, or other methods authorized by Chapter 190, Florida Statutes.

The amounts described above exclude any operations and maintenance assessments which may be determined and calculated annually by the District's Board of Supervisors against all benefited lands in the District. These assessments on lots will also be collected in the same manner as county ad valorem taxes.

A detailed description of all costs and allocations that result in the formulation of assessments, fees and charges are available for public inspection upon request.

Method of Collection

The District's benefit and maintenance assessments may appear on that portion of the annual real estate tax bill entitled "non-ad valorem assessments," and will be collected by the county tax collector in the same manner as county ad valorem taxes. Each property owner must pay both ad valorem and non-ad valorem assessments at the same time. Property owners will, however, be entitled to the same discounts as provide for ad valorem taxes. As with any tax bill, if all taxes and assessments due are not paid within the prescribed time limit, the tax collector is required to

sell tax certificates which, if not timely redeemed, may result in the loss of title of the property. The District may also elect to collect the assessment directly.

This description of the Candler Hills East Community Development District's operation, services and financing structure is intended to provide assistance to purchasers concerning the important role that the District plays in providing infrastructure improvements essential to the development of new communities. If you have questions or would require additional information about the District, please write to: District Manager, Governmental Management Services, 201 East Pine Street, Suite 950, Orlando, FL 32801.

Revised June 23, 2009 from the August 22, 2006 version.

IN WITNESS WHEREOF, this Disclosure of Public Financing and Maintenance of Improvements to Real Property Undertaken has been executed as of the 26th day of May, 2009, and recorded in the Official Records of Marion County, Florida.

CANDLER HILLS EAST COMMUNITY DEVELOPMENT DISTRICT

By: *C. Guy Woolbright*
Chairman

[Signature]
Witness

[Signature]
Witness

Lynne W. Veronika
Print Name

Jason M. Showe
Print Name

STATE OF FLORIDA
COUNTY OF ORANGE

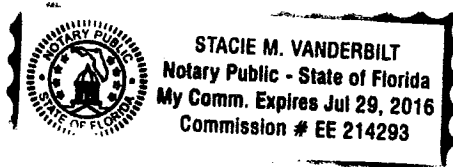
The foregoing instrument was acknowledged before me this 27th day of May, 2009, by C. Guy Woolbright, Chairman of the Candler Hills East Community Development District, who is personally know to me or who has produced _____ as identification, and did [] or did not [] take the oath.

[Signature]
Notary Public, State of Florida

Print Name: Stacie M. Vanderbilt

Commission No.: EE 214293

My Commission Expires: July 29, 2016



Receipt of Disclosure

“I” and/or “We” _____ and
_____ hereby acknowledge receipt of the
Disclosure of Public Financing and Maintenance of Improvements to Real Property Undertaken
by the Candler Hills East Community Development District.

(Date)