

**TWO CREEKS COMMUNITY DEVELOPMENT DISTRICT
GENERAL INFORMATION PRESENTATION
APRIL 2015**

THE FOLLOWING INFORMATION IS GENERAL IN NATURE. EXACT LEVELS OF ASSESSMENTS, PAYOFF BALANCES ETC. FOR A SPECIFIC LOT OR PROPERTY MUST BE OBTAINED BY CONTACTING THE DISTRICT 'S OFFICE.

CDD compared to a HOA

A community development District is a special purpose form of local government described as an “independent special taxing District” and as such is “public”. A homeowners association is a “not-for-profit corporation” which is made up of “members” or homeowners, within a specific geographic boundary and it is considered “private”.

The Two Creeks Community Development District owns and operates the stormwater drainage system, landscaped and hardscaped common areas, playgrounds, and the amenity facilities within the Community. The Two Creeks Homeowners' Association oversees the “Deed Restriction” enforcement and Architectural Control, with the ownership and maintenance of any “non public facilities” within its jurisdiction. Each of these entities is distinctly different and operated at “arms length” of each other.

What is a CDD? It's Function etc.

As mentioned above the District is a form of government that exists under Florida Statute, Chapter 190, which is considered its enabling statute and serves as its charter. Districts the size of Two Creeks, become official after a petition of all landowners within its proposed boundaries is approved, by an ordinance of the local general-purpose government (city or county). In the case of Two Creeks, the County established the District by way of Ordinance #2006-27, which became effective on June 13, 2006.

The District functions as any local government. The District is governed by a Board of five Supervisors. Districts have similar powers as other local governments, with the exception of, “police powers”. Therefore it can not have its own police department, building, zoning and compliance codes, etc. This would also include “deed restrictions” which is why community development Districts normally have homeowners' associations organized within its boundaries.

The District is an “independent special taxing District” and therefore is not “dependent” on the next level of local general-purpose government, in the case of Two Creeks, Clay County, for funding, governance, etc. Standard municipal grade services are delivered to the residents by way of Clay County and paid by way of their real estate tax bill and its ad valorem portion. The District's operation is funded by way of non-ad valorem assessments on an owner's real estate tax bill. The District itself is tax exempt for most of its property with the exception of property that may be income producing.

Public Facilities and Public Access

Some Districts will dedicate their roads to the county or city they are located in or they maintain ownership themselves. In the case of Two Creeks they have transferred ownership of majority of the roads to the County, except for the roadways within The Preserve which is a private section within the community and will be maintained by the Preserve at Two Creeks Homeowners Association. All county roadways are considered public. This would be the same case if the District retained ownership of all the roadways or dedicated all of them to the County.

Also, due to its governmental nature, all of the other facilities owned by and operated by the District are also public, which means the District can't restrict access to those facilities either. They can however, set usage rates for such facilities for non-resident users, in accordance with the provisions of Chapter 190, Florida Statute and in the same vein as other governmental entities such as a city or county.

Does the CDD ever go away?

As many believe, the District does not cease to exist or go away when its bonds have been paid off. The District will continue to exist for perpetuity. It may be dissolved by way of several events, such as merger with another community development district, or the local general- purpose government takes over all of the ownership of a District's facilities and financial responsibilities. There are several other events or criteria which do not apply to Two Creeks as it now stands.

Supervisor Election Process

From its initial establishment until after its sixth year in existence, the Board of Supervisors is elected by way of a "landowner" election, wherein, all landowners of the District may participate and are entitled to one vote per acre or fraction thereof. By Statute, there are 5 Supervisors, no more or less.

The first landowner election is held within 90 days of establishment, the next must be held on the first Tuesday of November of that election year. Thereafter they can be held on any date during the month of November of an election year. The Board shall announce the date of the election during an election year at least 90 days prior to the date of the election, at which time they will also adopt a form of ballot and proxy for the election.

There are no specific requirements for candidates to meet during the landowner election phase except they must be citizens of the United States and the State of Florida. Candidates may be whoever is placed into candidacy and can obtain enough votes to take a seat. After the sixth year as long as there are more than 250 "qualified electors" (registered voters) who reside within the confines of the District, the elections begin a transition.

The District is also required to obtain the number of registered voters on or before April 15, of each year to monitor its progress toward the 250 registered voter mark. For Two Creeks, the District had 553 registered voters as of April 15, 2014.

At the next election after the sixth year mark with the prerequisite minimum number of registered voters (250), two of the three seats up for election, are held through the “general election” process by the Supervisor of Elections of the County. Candidates must be registered voters residing within the confines of the District and who have met the criteria of being a candidate on the ballot, as required by the Clay County Supervisor of Elections. Landownership is not a requirement.

The criteria and filing requirements as mentioned above, for general election candidates, include but are not limited to the filing of a financial disclosure form, known as a Form 1, Statement of Financial Interests. In brief this form outlines the sources of a candidates income and business interests. In addition there are filing fees, declaring of a campaign treasury, etc. These details are best addressed by contacting the Clay County Supervisor of Elections Office.

Candidates run for a “seat” number such as Seat 1 or Seat 2, etc. In the first general election both of the seats are a four year term. The remaining position is still elected by way of landowner election and is a 4 year seat as described by Statute.

In the eighth year after establishment and thereafter (as long as 250 registered voters continue to exist), all candidates must be registered voters, residing within the confines of the District. Once again, there are no landownership requirements. Those seats are also 4 year seats.

In light of the above, Two Creeks, conducted its latest General Election, on November 4, 2014.

Description of Bonds

The District has issued one bond, Series 2006 Special Assessment Bonds. The 2006 Series Bond is referred to as long term bonds. These are bonds that are re-paid by way of the debt service portion of the District’s Non-Ad Valorem Assessments on a property owner’s tax bill and are assessed over all of the land/lots within the boundaries of the District. The Debt is paid back by 30 years of annual installments (this began after the 12 months of capitalized interest period), by way of these assessments.

The following charts describe some of the basic aspects of this Bond:

Series 2006 Bond Issue

Category	Series 2006
Original Balance	\$13,110,000
Balance April 2	\$11,460.00
Maturity Date	May 1, 2037
Annual Payment	\$935,944
Avg. Interest Rate	5.25%

The following chart depicts that amount of debt initially assessed against the various product types within the District and the annual assessments levied on those product types for the Series 2006 Bond:

Series 2006 Bond

Product Type	Original Debt Principal	Annual Assessment
60' Lot	\$21,010.00	\$1,500.00
70' Lot	\$21,010.00	\$1,500.00
75' Lot	\$21,010.00	\$1,500.00
80' Lot	\$21,010.00	\$1,500.00
85' Lot	\$21,010.00	\$1,500.00
90' Lot	\$21,010.00	\$1,500.00
95' Lot	\$21,010.00	\$1,500.00
100' Lot	\$21,010.00	\$1,500.00

The following chart depicts the current average 2006 Series Bond debt remaining to be paid, if an owner were to elect to pre-pay the debt. These figures reflect the potential payoff good until September 15, 2015 and does include the reduction in principle that will occur on May 1 2015 for the debt assessment collected on the November 1, 2014 Tax Bill. **THESE FIGURES ARE FOR GENERAL INFORMATION. ACTUAL PAY OFF FIGURES MUST BE REQUESTED AND VERIFIED IN WRITING BY THE DISTRICT OFFICE:**

Product Type	Pay Off Through 9/15/2015
60' Lot	\$18,093 (\$18,093 in principal)
70' Lot	\$18,093 (\$18,093 in principal)
75' Lot	\$18,093 (\$18,093 in principal)
80' Lot	\$18,093 (\$18,093 in principal)
85' Lot	\$18,093 (\$18,093 in principal)
90' Lot	\$18,093 (\$18,093 in principal)
95' Lot	\$18,093 (\$18,093 in principal)
100' Lot	\$18,093 (\$18,093 in principal)

OPERATIONS AND MAINTENANCE ASSESSMENT

The District annually adopts its General Fund Budget more commonly referred to as its Operations and Maintenance Budget. This is the budget that deals with the daily needs of the District, for its administration and operation of its facilities and infrastructure. Districts follow the budgeting process as described in FS. 190.008.

As part of this process the District must adopt a proposed budget by June 15 of each year. A copy of this proposed budget is transmitted to the Clerk of the Board of County Commissioners. The County simply accepts the budget into the public record, in case someone, were to look for that record at the County level.

The District after a minimum of 60 days from the submittal to the County must conduct at least one public hearing, to allow for public comment and testimony relating to the budget along with a public hearing on the assessments to be levied to support this budget, if that assessment is increasing from the previous fiscal year's assessment. After the public hearing(s), the Board of Supervisors take whatever steps they deem necessary to adopt the budget and the assessments necessary to fund the budget as approved by the Board of Supervisors.

The Operations and Maintenance Assessment, is the second component that makes up the non-ad valorem assessments property owners within the District will see on their annual Real Property Tax Bill from the County.

The following chart depicts both the O&M assessment combined with the debt assessment and the resulting total that a property owner would have found listed under the non-ad valorem assessment portion of the November 1, 2014 Real Estate Tax Bill:

Fiscal Year 2014/2015 District Assessment

Product Type	O&M Assessment	Debt Assessment	Total Assessment
Single Family	\$754.00	\$1,500.00	\$2,254.00

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Two Creeks CDD Website
www.TwoCreeksCDD.org