

**This Instrument Prepared by
and return to:**

**Two Creeks Community Development District
Rizzetta & Company, Inc.
2806 North 5th Street, Suite 403
St. Augustine, Florida 32084**

**DISCLOSURE OF PUBLIC FINANCING AND MAINTENANCE
OF IMPROVEMENTS TO REAL PROPERTY UNDERTAKEN BY
TWO CREEKS COMMUNITY DEVELOPMENT DISTRICT**

**Board of Supervisors and Officers¹
Two Creeks Community Development District**

Howard Sheffield
Chairman

Vacant
Vice-Chair

Donald S. Ware, Jr.
Assistant Secretary

Cheryl Pfannenstein
Assistant Secretary

Kenneth Johns
Assistant Secretary

Rizzetta & Company, Inc.
District Manager
2806 North 5th Street, Suite 403
St. Augustine, Florida 32084
Phone: 904-436-6270

District records are on file at the District Manager's office and at the local public records office, Clay County Clerk's Office, 825 N. Orange Avenue, Green Cove Springs, Florida 32043-2525, and are available for public inspection upon request during normal business hours.

¹ This list reflects the composition of the Board of Supervisors and Officers as of August 1, 2008. For a current list, please call the District Manager.

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TWO CREEKS COMMUNITY DEVELOPMENT DISTRICT

Introduction

On behalf of the Board of Supervisors of the Two Creeks Community Development District (the "District"), the following information is provided to give you a description of the District's services and the assessments that have been levied within the District to pay for certain community infrastructure, and the manner in which the District is operated. The District is a unit of special-purpose local government created pursuant to and existing under the provisions of Chapter 190, Florida Statutes. Unlike city and county governments, the District has only certain limited powers and responsibilities. These powers and responsibilities include, for example, certain on and offsite roads and transportation improvements, water and sewer facilities, stormwater management facilities, wetlands mitigation, entry features, landscaping, signage and recreation improvements.

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 Two Creeks Community Development District 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.

The District is here to serve the needs of the community and we encourage your participation in District activities.

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. 2006-27 of Clay County, Florida, effective on June 22, 2006. The District currently encompasses approximately 624 acres of land located entirely within the jurisdictional boundaries of Clay 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 Florida and citizens of the United States. Within 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 on the first Tuesday in November. Commencing six years after the initial appointment of Supervisors and when the District attains a minimum of 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 18 years of age who is a citizen of the United States, a legal resident of Florida and of the District, and who is also registered with the Supervisor of Elections to vote in Clay 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 currently consists of approximately 624 acres of land. The legal description of the lands encompassed within the District is attached hereto as **Exhibit "A."** The proposed development project which encompasses the District comprises a master planned, residential community. The public infrastructure necessary to support the development program within the development includes, but is not limited to the following: on and offsite roads and transportation improvements, water and sewer facilities, stormwater management facilities, wetlands mitigation, entry features, landscaping, signage and recreation improvements. Each of these infrastructure improvements is more fully detailed below.

These public infrastructure improvements will be funded in part by the District's sale of bonds. On September 14, 2006, the Circuit Court of the Fourth Judicial Circuit of the State of Florida, in and for Clay County, Florida, entered a Final Judgment validating the District's ability to issue an aggregate principal amount not to exceed \$39,000,000 Two Creeks Community Development District (Clay County, Florida) Capital Improvement Revenue Bonds for infrastructure needs of the District. Since its establishment, the District has issued one series of bonds.

On October 1, 2006, the District issued \$13,110,000 Two Creeks Community Development District (Clay County, Florida) Capital Improvement Revenue Bonds, Series 2006 ("Series 2006 Bonds") for purposes of (1) the payment of a portion of costs of the 2006 Project; (2) the payment of interest on the Bonds through November 1, 2007; (3) the funding of a Debt Service Reserve Fund for the Bonds and (4) the payment of the costs of issuance of the Series 2006 Bonds.

To plan the infrastructure improvements necessary for the District, the District adopted an Improvement Plan, titled "Engineering Report," and dated September, 2006, which details the improvements presently contemplated for completion by the District. Copies of the Improvement Plan are available for review in the District's public records.

Roadway Improvements

Vehicular access to the District is provided from Branam Field Road with the improvements of Trail Ridge Road providing a two lane, unloaded, connecting road between the District and Branam Field Road. Trail Ridge Road runs west from Branam and continues west through the southern portion of the District and connects to Long Bay Road north from the Pine Ridge development and terminates at Two Creeks Boulevard at approximately the center of the District. Two Creeks Boulevard also runs from the Pine Ridge development, located south of the District, north to a connection at the Eagles Landing at Oak Leaf development. The external connection points and the internal road design for the District comply with the Branam Field Master Plan ("BFMP"). Two Creeks Boulevard, Trail Ridge Road (within the District) and the Long Bay Extension will be irrigated and landscaped and will have underground electric, streetlights and sidewalks.

Utility Improvements

Wastewater Collection System

The District's onsite sanitary sewer system will consist of 8" and 12" gravity sewer lines with appurtenant manholes and three pump stations. The pump station located at the north side of the District will also accommodate a portion of the wastewater flows from the development to the north's (Eagles Landing at Oak Leaf) sewer lines. The two other pump stations are designed to accommodate a portion of the wastewater flows from the development to the south's (Pine Ridge) sewer lines. The District will install approximately five thousand two hundred eighty feet (5,280') of 8" force main in the Trail Ridge Road right-of-way to the existing CCUA force main lying in the Branam Field Road right-of-way.

Potable Water Distribution System

The District is served by a connection with the existing CCUA water main in the Two Creeks Boulevard right-of-way with water supplied by the Clay Water Treatment Facility. The water distribution systems will consist of 16", 12", 10", 8", 6", and 4" water mains with appurtenant valves and fire hydrants.

Underground and Street Lighting Electrical System

The District lies within the area served by the Clay County Electric Authority ("CCEA"). CCEA will provide underground electric service to the site from lines located within the public right-of-way of Trail Ridge Road. The internal electrical distribution system will consist of underground cable with appurtenant transformers and service pedestals. In addition, all major roadways and subdivision roadways will have streetlights.

Stormwater Management System

The stormwater management plans for the District focus on utilizing newly constructed ponds, in upland areas, for stormwater treatment in conjunction with the natural occurring wetlands. The natural occurring wetlands and lake system account for approximately 33.17% of the District's land area. The District's objectives for the stormwater management system are 1) provide stormwater quality treatment, storage, and conveyance; 2) to adequately protect development within the District from regulatory-defined rainfall events; 3) to maintain wetland hydro periods; 4) to insure that adverse stormwater impacts do not occur upstream or downstream as a result of the development; 5) to satisfactorily accommodate stormwater runoff from adjacent off-site areas, with naturally drain through the District; and 6) to preserve the function of the floodplain storage during the 100-year storm event.

The stormwater collection and overflow systems will be a combination of curb inlets, pipe culverts, control structures and open waterways. Wetland hydro periods (normal pool and season high water elevation) will be maintained through proper design and maintenance of the overflow control structures.

Wetlands Mitigation

Wetland impacts within the District currently require 256.10 acres of wetlands and uplands to be preserved via conservation easement as set forth in the application for the SJRWMD permit for the development. Final approval of the wetlands mitigation plan by the SJRWMD and the U.S. Army Corps of Engineers may require modification of the mitigation plan.

Entrance Features, Landscaping and Perimeter Fencing and Buffering

The District will include major entrance towers on either side of the Trail Ridge Road entering the District from Branan Field Road to the west. In addition, minor entrance features will be erected at most access points to the neighborhoods in the District along Long Bay Extension and Two Creeks Boulevard. All of the major roads will be heavily landscaped on either side.

Recreation Area

The multiple recreation areas totaling 10.90-acres are located throughout the District. The main recreation area plan consists of a parking area and a drop off circle, a bathroom facility, a swimming pool facility, a playground and open play fields. The balance of the recreation areas will include additional playgrounds, gazebos, and open play fields.

Activity Center

The BFMP requires the allotment of an area known as the Rural Activity Center. An allocation of approximately twenty acres of the Rural Activity Center is to be dedicated to Clay County for the future use as a school site. The school site will be in accordance with plans and

specifications to be provided and constructed by the Clay County School Board. Approximately two acres of the Rural Activity Center area is to be dedicated to commercial and civic use.

Assessments, Fees, and Charges

The costs of acquisition or construction of a portion of these infrastructure improvements have been financed by the District through the sale of its Series 2006 Bonds. The annual debt service payments, including interest due thereon, for the Bonds are payable solely from and secured by the levy of non-ad valorem or special assessments against lands within the District which benefit from the construction, acquisition, establishment and operation of the District's improvements. The annual debt service obligations of the District which must be defrayed by annual assessments upon each parcel of land or platted lot will depend upon the type of property purchased. Provided below are the current maximum annual assessment levels for the Bonds. Interested persons are encouraged to contact the District Manager for information regarding special assessments on a particular lot or parcel of lands. A copy of the District's assessment methodology and assessment roll are available for review in the District's public records.

The current maximum annual debt assessment for the Series 2006 Bonds for a platted lot is as follows:

Product Type	Maximum Annual Assessment per Unit
Single Family 60	\$1,500
Single Family 70	\$1,500
Single Family 75	\$1,500
Single Family 80	\$1,500
Single Family 85	\$1,500
Single Family 90	\$1,500
Single Family 95	\$1,500
Single Family 100	\$1,500

Note: Amounts listed include 2% for collection costs levied by Clay County government and a 4% maximum discount for early payment as authorized by law.

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 that are 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 will also be collected in the same manner as county ad valorem taxes.

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

Method of Collection

The District's special 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 provided 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 to the property.

This description of the Two Creeks Community Development District's operation, services and financing structure is intended to provide assistance to landowners and 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 simply like additional information about the District, please contact the District Manger at 2806 North 5th Street, Suite 403, St. Augustine, Florida 32084, or call (904) 436-6270.

IN WITNESS WHEREOF, this Disclosure of Public Financing and Maintenance of Improvements to Real Property Undertaken has been executed as of the 20th day of Aug., 2008, and recorded in the Official Records of Clay County, Florida.

**TWO CREEKS COMMUNITY
DEVELOPMENT DISTRICT**

By: [Signature]
Howard Sheffield
Chairman

[Signature]
Witness

Karen T. Chappell
Print Name

[Signature]
Witness

Kenneth L. Johns Jr.
Print Name

STATE OF FLORIDA
COUNTY OF Clay

The foregoing instrument was acknowledged before me this 20th day of Aug., 2008, by Howard Sheffield, Chairman of the Two Creeks Community Development District, who is personally known to me or who has produced Driver License as identification, and did [] or did not [] take the oath.

[Signature]
Notary Public, State of Florida
Print Name: _____
Commission No.: _____
My Commission Expires: _____

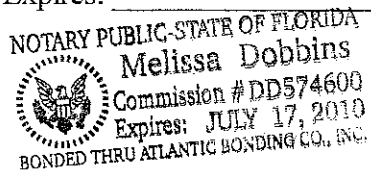


EXHIBIT A: Legal Description